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CREDIT AND CONSERVATION

HEARING
BEFORE THE
SUBCOMMITTEE ON CONSERVATION AND CREDIT
OF THE
COMMITTEE ON AGRICULTURE
HOUSE OF REPRESENTATIVES
EIGHTY-FIFTH CONGRESS
FIRST SESSION
ON
H. R. 953, 1045, 3753, 3861, 3988, 4253, 4404,
4958, and 5497

MARCH 5, 1957

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CREDIT AND CONSERVATION

TUESDAY, MARCH 5, 1957

HOUSE OF REPRESENTATIVES,
SPECIAL ACTION SUBCOMMITTEE ON CONSERVATION
AND CREDIT OF THE COMMITTEE ON AGRICULTURE,
Washington, D. C.

The subcommittee met, pursuant to notice, at 10 a. m., in room 1310, New House Office Building, Hon. W. R. Poage (chairman of the subcommittee) presiding.

Present: Representatives Poage (chairman of the subcommittee), Grand, and McIntire.

Also present: Representatives Abernethy, Hagen, Thompson, Jones, Watts, Johnson, Matthews, Krueger, Sikes and Budge.

Mr. POAGE (presiding). The committee will please come to order.

We are here this morning for the purpose of considering all of the bills that are before this subcommittee.

(The bills are as follows:)

[H. R. 953, 85th Cong., 1st Sess.]

A BILL To amend the Bankhead-Jones Farm Tenant Act so as to increase the maximum indebtedness which farmers may incur under such Act for operating loans

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (b) of section 21 of the Bankhead-Jones Farm Tenant Act, as amended (7 U. S. C., sec. 1007 (b)), is amended by striking out "\$20,000" and inserting in lieu thereof "\$30,000".

[H. R. 1045, 85th Cong., 1st sess.]

A BILL To amend the Soil Conservation and Domestic Allotment Act, as amended, and the Agricultural Adjustment Act of 1938, as amended

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 7 of the Soil Conservation and Domestic Allotment Act, as amended (16 U. S. C. 590g), is further amended as follows: Subsections (b), (c), (d), (e), (f), and (g), and the subsection designation "(a)" are stricken out.

SEC. 2. (a) Subsection (a) of section 8 of said Act, as amended, relating to the period within which the Secretary is authorized to develop programs and make payments directly to farmers for specified purposes, is hereby repealed.

(b) The first sentence of subsection (b) of section 8 of said Act, as amended, is amended by striking out the words "Subject to the limitation provided in subsection (a) of this section, the" and inserting in lieu thereof the word "The".

(c) Subsections (b), (c), (d), (e), and (f) of section 8 of said Act, as amended, are redesignated as subsections (a), (b), (c), (d), and (e), respectively.

SEC. 3. Sections 8, 9 and 12 of the Soil Conservation and Domestic Allotment Act, as amended, are amended by deleting "7 (a)" wherever it appears and inserting in lieu thereof "7".

SEC. 4. Section 388 (a) of the Agricultural Adjustment Act of 1938, as amended, is amended by deleting "8 (b)" wherever it appears and inserting in lieu thereof "8 (a)".

[H. R. 3753, 85th Cong., 1st sess.]

A BILL To enable the Secretary of Agriculture to extend financial assistance to desert-land entrymen to the same extent as such assistance is available to homestead entrymen

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the first sentence of the Act entitled "An Act to enable the Secretary of Agriculture to extend financial assistance to homestead entrymen, and for other purposes", approved October 19, 1949 (63 Stat. 883), is amended by striking out "homestead entry" and inserting in lieu thereof "homestead or desert-land entry".

(b) The last sentence of the first section of such Act is amended by inserting after "project," the following: "or to an entryman under the desert-land laws".

[H. R. 3861, 85th Cong., 1st sess.]

A BILL To amend the Bankhead-Jones Farm Tenant Act, as amended, to provide more flexibility in refinancing loans, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the second sentence of section 17 of the Bankhead-Jones Farm Tenant Act, as amended (7 U. S. C. 1006 (e), as amended by Public Law 878, Eighty-fourth Congress), is further amended to read as follows: "No such loan shall be made to an applicant whose total indebtedness is in excess of the amount certified by the county committee to be the value of the real estate and the reasonable value of the applicant's personal property of security value as determined by the Secretary, unless the aggregate of the outstanding indebtedness shall be adjusted so as to be within such values."

[H. R. 3988, 85th Cong., 1st sess.]

A BILL To amend the Bankhead-Jones Farm Tenant Act, as amended, to provide more flexibility in refinancing loans, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the second sentence of section 17 of the Bankhead-Jones Farm Tenant Act, as amended (7 U. S. C. 1006 (e), as amended by Public Law 878, Eighty-fourth Congress), is further amended to read as follows: "No such loan shall be made to an applicant whose total indebtedness is in excess of the amount certified by the county committee to be the value of the real estate and the reasonable value of the applicant's personal property of security value as determined by the Secretary, unless the aggregate of the outstanding indebtedness shall be adjusted so as to be within such values."

[H. R. 4253, 85th Cong., 1st sess.]

A BILL To amend the Bankhead-Jones Farm Tenant Act, as amended, to provide more flexibility in refinancing loans, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the second sentence of section 17 of the Bankhead-Jones Farm Tenant Act, as amended (7 U. S. C. 1006 (e), as amended by Public Law 878, Eighty-fourth Congress), is further amended to read as follows: "No such loan shall be made to an applicant whose total indebtedness is in excess of the amount certified by the county committee to be the value of the real estate and the reasonable value of the applicant's personal property of security value as determined by the Secretary, unless the aggregate of the outstanding indebtedness shall be adjusted so as to be within such values."

[H. R. 4404, 85th Cong., 1st sess.]

A BILL To amend section 15 of the Bankhead-Jones Farm Tenant Act, as amended, so as to make loans insured by the Secretary of Agriculture eligible for investment by national banks as "investment securities" rather than loan obligations, and to include such loans in the excepted class of investments listed in section 5136 of the Revised Statutes, relating to national banking associations

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 15 of the Bankhead-Jones Farm Tenant Act, as amended, is amended by adding the following new paragraph (c):

"(e) The next to the last sentence in paragraph Seventh of section 5136 of the Revised Statutes, as amended (U. S. C. 1952 edition, title 12, sec. 24), is hereby amended by changing the colon after the word 'obligations' to a comma and inserting before the word 'Provided', the following: 'or obligations which are insured by the Secretary of Agriculture pursuant to the Bankhead-Jones Farm

Tenant Act, as amended, or the Act of August 28, 1937 (relating to the conservation of water resources), as amended, and such obligations shall be considered as marketable obligations eligible for investment or purchase by a national bank as investment securities.”

[H. R. 4958, 85th Cong. 1st sess.]

A BILL To amend the Bankhead-Jones Farm Tenant Act, as amended, to provide more flexibility in refinancing loans, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the second sentence of section 17 of the Bankhead-Jones Farm Tenant Act, as amended (7 U. S. C. 1006 (e), as amended by Public Law 878, Eighty-fourth Congress), is further amended to read as follows: “No such loan shall be made to an applicant whose total indebtedness is in excess of the amount certified by the county committee to be the value of the real estate and the reasonable value of the applicant’s personal property of security value as determined by the Secretary, unless the aggregate of the outstanding indebtedness shall be adjusted so as to be within such values.”

[H. R. 5497, 85th Cong., 1st sess.]

A BILL To amend the Watershed Protection and Flood Prevention Act

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4 (2) (A) of the Watershed Protection and Flood Prevention Act (Public Law 1018, Eighty-fourth Congress) be amended by inserting immediately after “and disposal of water”, the following: “or for recreational and fish and wildlife development.”

Mr. POAGE. It had been my intention to hear the authors of the conservation bills first. I see none of the authors of any of the conservation bills present at this time.

Mr. Abernathy assured me that he would be here but he is not here at the moment. Possibly we can save a little time by starting with some of the credit bills.

The first bill we have is H. R. 953 by Mr. Teague of Texas. Mr. Teague sent word that he would file a statement.

We have a report from the Department on that bill, an adverse report.

Mr. Heimburger, will you read the report?

Mr. HEIMBURGER. I will be very happy to, Mr. Chairman. [Reading:]

MARCH 4, 1957.

Hon. HAROLD D. COOLEY,
Committee on Agriculture,
House of Representatives.

DEAR CONGRESSMAN COOLEY: This is in response to your request of February 21, 1957, for a report from this Department, concerning H. R. 953, a bill to amend the Bankhead-Jones Farm Tenant Act so as to increase the maximum indebtedness which farmers may incur under said act for operating loans.

The bill would amend subsection (b) of section 21 of the Bankhead-Jones Farm Tenant Act, as amended, to increase the maximum indebtedness which farmers may incur under such act for operating loans from \$20,000 to \$30,000.

We do not recommend enactment of the bill.

The Department does not believe that authority is needed for the increased maximum indebtedness for the reason that the experience of the Farmers’ Home Administration, during the 1957 fiscal year, shows that the \$20,000 loan limit, with rare exceptions, is sufficient to meet the operating credit needs of family-type farmers and ranchers throughout the country.

By the passage of Public Law 878, 84th Congress, 2d session, approved August 1, 1956, the operating loan limit was increased from \$10,000 to \$20,000 and conditions have not changed sufficiently since that time to warrant increasing the loan limit.

In view of Mrs. Downey's telephone request that this report be submitted prior to the hearings on March 5, we have not obtained advice from the Bureau of the Budget as to the relationship of this proposed legislation to the program of the President.

Sincerely yours,

TRUE D. MORSE, *Acting Secretary.*

Mr. POAGE. Is there anyone here who wants to be heard on this bill, H. R. 953?

It is by Mr. Teague of Texas. Mr. Teague has asked, and without objection will receive permission to file a statement concerning it. He is not in town today.

(The statement is as follows:)

**STATEMENT OF HON. OLIN. E. TEAGUE, A REPRESENTATIVE IN
CONGRESS FROM THE STATE OF TEXAS**

Mr. TEAGUE. Mr. Chairman, I appreciate very much your inviting me to appear before you here today in support of my bill H. R. 953, the purpose of which would be to amend the Bankhead-Jones Farm Tenant Act so as to increase the maximum indebtedness which farmers may incur under the act for the operating type loans administered by the Farmers' Home Administration. I believe the fact that this committee has seen fit to give consideration to this bill so early in the session is indicative that the need for increasing the maximum indebtedness is recognized.

As you know, the objectives of the operating loans to full-time family-type farmers and stockmen are to assist them to become established successfully in a sound- well-balanced system of farming or stock raising and to make full and efficient use of their land and labor resources.

To qualify for one of these loans, a farmer must first show that credit in an amount sufficient to finance his actual needs is not available to him at rates (not to exceed 5 percent per annum) and terms prevailing in or near the community in which he resides for loans of similar size and character from commercial banks, cooperative lending agencies, and from other responsible sources. Additionally, no operating loans may be made after 7 years continuous indebtedness except in hardship cases when the inability of the borrower to repay his indebtedness within 7 years was due to causes beyond his control, the period of continuous indebtedness can be extended to 10 years.

I do not believe it is necessary for me at this time to go into the fact that the Southwest has experienced the most prolonged drought in history as I am sure that all of you gentlemen are well aware of this fact. The result has been however, with respect to the operating loan feature of the Farmers' Home Administration, that the majority of my farmers have reached the maximum indebtedness of \$20,000; and while the individual county committees have been most considerate and have agreed to extend the period of indebtedness to 10 years, the farmers have been unable to obtain additional credit for operating capital to carry on their farming operations. In other words, gentlemen, unless we provide them with an additional "stake" they will have no means at their command to realize any return for the purpose of reducing their present indebtedness to the Farmers' Home Administration.

During my visit to my congressional district during the summer and fall of 1956 I spoke personally with farmers, stockmen, and bankers, and the latter freely stated that their portfolios at present indicated they would not be in a position to extend additional credit to the farmers in their area for the coming crop year.

I do not intend to belabor this committee with multitudinous facts and figures as I am confident that you are cognizant of the many benefits resulting from the operating loan to the full-time family-type farmer and the problem which confronts him at this time. I do, however, respectfully request that you give favorable consideration to this legislation which would increase this maximum indebtedness under the law from \$20,000 to \$30,000. Thank you.

Mr. POAGE. Is there anyone here who cares to be heard on this bill?

There are representatives from the Department of the Farmers' Home Administration here. Do you care to make any additional comments on this bill?

Mr. K. HANSEN (Farmers' Home Administration). No additional comment unless there are questions.

Mr. POAGE. Are there any questions on the part of any of the members of the committee?

If not, the committee will pass on to the next bill, and consider this bill further in executive session.

The next bill is Mr. Abernethy's bill. He has not arrived and I will pass on to Mr. Budge's bill which is H. R. 3753. Mr. Budge is here, and we will be glad to hear from you, Mr. Budge.

STATEMENT OF HON. HAMER H. BUDGE, A REPRESENTATIVE IN CONGRESS FROM THE FIRST CONGRESSIONAL DISTRICT OF THE STATE OF IDAHO

Mr. BUDGE. Thank you very much, Mr. Chairman. I appreciate this opportunity to appear before the committee on behalf of H. R. 3753.

This is legislation which I have introduced to place desert-land entrymen in the same position as those who homestead land.

When the act was amended some years ago, it did include the homesteaders, but it has never included the desert entryman.

Homesteading is almost a thing of the past in the West any more. Our development is primarily based on desert entrymen.

The bill is identical to one which was introduced in the last Congress, and similar to S. 1472 which was passed by the other body during the last session of the Congress.

It would permit the Secretary of Agriculture through the Farmers' Home Administration to obtain a mortgage on entered desert land prior to the issuance of a patent to the desert-land entrymen. It will be extending financial assistance to these farmers to the same extent as such assistance is available to homestead entrymen.

At the present time a number of desert-land entrymen in my congressional district in Idaho have applied to the Farmers' Home Administration for loans, but have been denied even any consideration because of the inability of the entrymen to provide the land security for the loan.

Had he been operating under the homestead laws, and everything else being in order, the financial assistance would have been forthcoming from the Farmers' Home Administration.

If this bill is enacted it would permit the Farmers' Home Administration to pass on the merits of the loan. And if the security is there, then to provide financial assistance to the desert-land entryman.

Many of the entrymen need need this assistance to install their irrigation facilities and to otherwise improve the land on which they have filed for improvement and development.

I have been advised by the Department of Agriculture that no additional appropriation would be necessary to implement this act, and that there is no objection to this proposed legislation. In fact, it is my understanding that the Department is prepared to testify in support of the legislation should the committee so desire.

Mr. POAGE. The committee has available the report from the Department.

Mr. BUDGE. Thank you, Mr. Chairman. It is a pleasure of quite some importance due to the fact that homesteading is simply not going forward in the West any more. Our development is by desert entry. And I see no objection to the legislation from any area at all.

I very much appreciate your courtesy in permitting me to appear.

Mr. POAGE. Do I understand correctly—and I know so little about desert-land entrymen—that the desert-land entryman is the man who takes up two sections of land; is that right?

Mr. BUDGE. I do not know of any requirement as to the amount of land.

Mr. POAGE. Under the Homestead Act you can only take up 160 acres; is that right? I am asking you for information. I do not know.

Mr. BUDGE. Actually, there has been so little homesteading in my State in my lifetime that I do not know the answer to that question, either.

Mr. POAGE. Is there anyone here who does know? How much land do you take under the homestead law?

Mr. KREUGER. It depends. For instance, my brother homesteaded in Montana and he was allowed to take 320 acres for homesteading.

But in North Dakota when it was still in effect we were only allowed 160 acres.

Mr. SIKES. It is 160 in the Southeast.

Mr. POAGE. How much?

Mr. BUDGE. I do not know that there is any limitation on it. This is the way the situation arises. It is on land that is administered by the Bureau of Land Management.

The first consideration is that the desert-land entryman must prove that there is water available for the irrigation of the land.

Under the Homestead Act in the areas where there is sufficient rainfall to grow crops practically all of the homesteading has been accomplished for those areas. This development comes about when there is water available, either surface water or water which can be pumped from the ground.

And the Bureau of Land Management will not approve these applications for desert entry until the entryman has proved to the satisfaction of the Bureau of Land Management that the water is available for the irrigation of the land.

Mr. POAGE. Let me ask you this, because this is the thing that I never understood about the whole public land policy.

As I understood it all of this public land on which a man might make entry has actually been allocated or assigned to some livestock operator who somewhere possessed the necessary headquarters with water and hay land. And that they have the right to graze all of this public land. Is that correct or is it not?

Mr. BUDGE. No, I would say that is a use which exists only until such time as a higher use is applied for. The irrigation of the land, to put it into the production of crops, than using it for grazing, is a higher use.

Mr. POAGE. That is exactly what I want to get at. Does the entryman—assume that I want to go out and file an entryman claim on some of this public land and I find that my friend McIntire already has a permit to graze 10,000 sheep over that land, can I by drilling a well or by finding water some way—can I, if I can show that I can irrigate the land, can I take title to the land and put his sheep off?

Mr. BUDGE. If the Bureau of Land Management finds that the water is available for the irrigation of that land, I would say "yes."

The Taylor grazing permit on the Bureau of Land Management lands is not something that exists in perpetuity. It is simply a use, a permissive use of the land.

Mr. POAGE. That is what my observation has been, that some are in practice a perpetual easement.

Mr. BUDGE. That, of course, is one of the considerations in the Bureau of Land Management. You have to have some continuity to it. A man cannot have 5,000 sheep one year and 5,000 the next year. You cannot operate in the sheep and cattle business that way.

So there has been some continuity to it.

As a matter of fact, the Bureau has been quite, perhaps I should say, dilatory in granting desert-land entries in the last 2 or 3 years because of the present agricultural situation.

But I anticipate that when agriculture is in a little different position that the desert land entries will go forward quite rapidly in some areas of the country.

Mr. POAGE. Tell me now, if I want to enter on some of this land, how much of it do I have to put under irrigation? Certainly there will be parts of that section that in many cases could not be put under irrigation practically. Other parts of it could be.

How much do I have to put under irrigation?

Mr. BUDGE. So far as I know, if you can make an economic unit of it, even though it might be only 60 acres, there is no requirement that you would have to take a section.

In fact, most of the development that has occurred in my State—and there has been considerable in the last 7 or 8 years—has been in smaller acreages of 100 or 160 acres. Those have been segregated by the Bureau of Land Management as being the maximum area that can be irrigated with the water supply at that particular point.

Mr. POAGE. How much land did those people take up? Did they take up only 100 acres or did they take up 640?

Mr. BUDGE. They can only get the desert entry to the portions which they can satisfy the Bureau of Land Management can be irrigated.

Mr. POAGE. If they have a hill in the middle of the field they cannot get the hill; is that right?

Mr. BUDGE. That problem does not arise much in my particular area. Desert land is pretty flat.

Mr. POAGE. It is not all over the country, though.

Mr. BUDGE. No, sir. Nor is there an underground water supply all over the country. The areas that would be affected would be somewhat limited because of the water supply or the shortage of the water supply.

Mr. POAGE. Is there anyone here from the Bureau of Land Management—anyone representing them here?

Mr. BUDGE. I think I can say that the Department of Interior and the Bureau of Land Management both favor the passage of this legislation.

Mr. POAGE. Well, I was simply wanting to get their rules and regulations whether they do allow a man to take more than the land that he actually put water on.

It would seem to me that you could not get a very economical unit if you had nothing in the world but irrigated land, from what little I know of it. I have always thought that livestock went along with it.

Mr. BUDGE. I would say not. In my area, Mr. Chairman, when you are growing potatoes or sugar beets or peas or beans, tomatoes, lettuce, or row crops, you are not engaged with any form of livestock. I would see no reason to go outside of the irrigated acreages.

Mr. POAGE. Do I understand, then, that a man cannot take this land up and have livestock with it, even though he irrigates the land? He cannot irrigate the land and run a dairy or beef herd or anything of that nature?

Mr. BUDGE. Well, I would not want to say that he could not. That is not the usual practice. That is pretty expensive land to put into pasture when you have to use pump irrigation.

Mr. POAGE. Some of it is \$500-an-acre land.

Mr. BUDGE. I have some, too, but not in recent years with the cost of water. With your surface water you can.

Mr. POAGE. There is more high priced land in grass than almost any other one thing. We have that surface irrigation, for example, in the Brazos Valley in my hometown area. We have surface irrigation where the water is relatively cheap.

But it is pretty expensive operation when you are pumping the water from two or three hundred feet below the ground.

And the people that have gone into the desert entries have not gone into livestock operations to any great extent.

Mr. POAGE. Mr. McIntire.

Mr. McINTIRE. I would like to inquire just what does this bill accomplish in relation to the collateral situation of these loans. What type of title does the operator have as a desert-land entryman?

Mr. BUDGE. He is issued by the Bureau of Land Management a desert-land entry permit. This is after the finding which must be an affirmative finding that the land is acceptable to irrigation and that there is a supply of water to place on that land.

This legislation picks up the hiatus between the time of the issuance of the desert entry permit to the time that patent is issued.

After patent is issued he, of course, could apply to the Farmers' Home Administration and receive credit.

But the man who homesteads after he makes his entry, can immediately apply to the Farmers' Home Administration for financial assistance and receive it. But the desert entryman cannot.

And he cannot get his patent to the land until he proved up on it by bringing it into cultivation.

Mr. McINTIRE. This legislation would permit the Farmers' Home Administration to make this loan before there was actually any water available to spread on the land?

Mr. BUDGE. Well, I do not know how you could say available. I would say before the water is actually placed upon the land. I think that would be correct.

Mr. McINTIRE. Even before any facilities were available or installed by which the water could be placed upon the land.

Mr. BUDGE. I think that the Farmers' Home Administration have had a lot of experience in this particular line on deeded land, and they will not make the loan on deeded land until they are satisfied that the water supply is available and that the funds which they might loan, for example, to build canals or to put in a sprinkling system would be actually used for the irrigation of the land.

Mr. McINTIRE. By virtue of the issuance of this entry permit, is that a negotiable or transferable certificate from one person to another?

Mr. BUDGE. No, sir.

Mr. McINTIRE. What recovery does the Farmers' Home Administration have? Do they acquire title under their loan?

Mr. BUDGE. They would have a mortgage which, of course, would erase any claim which the entryman might have to the land.

Mr. McINTIRE. If it is not a transferable entry, how much of a claim does he have?

Mr. BUDGE. He has the only claim, outside of the claim of the United States Government.

In fact, the Farmers' Home Administration has loaned a great deal of money in my State for this same type of development on deeded land, and on which there was no water at the time the loan was made.

The record of those loans has been excellent. I know of actually none where they have not recovered the loan which was made or, at least, the loans are current.

Mr. McINTIRE. Am I correct in assuming where a man held title to the land that, at least, there is a transferable interest, but in this situation he has no interest as to ownership?

Mr. BUDGE. Well, I would say this, that he has a mortgageable interest which will ripen into a fee title when the patent is issued.

And I think we should also differentiate between the type of land with which we are dealing here and farming land in other areas of the Nation.

This desert land, whether it is deeded land or whether it is under desert land entry is practically valueless.

Your deeded land, giving a mortgage to so many acres of sagebrush, that is no security. Actually no difference insofar as the security which the Government receives.

Mr. PoAGE. Would you yield?

Mr. McINTIRE. Yes.

Mr. PoAGE. Is it true that when this desert-land entryman puts the irrigation improvement on the land, that that is when he gets a patent on it?

Mr. BUDGE. He gets his patent when he proves up on the land.

Mr. PoAGE. In other words, if the Farmers Home Administration makes a loan for irrigation, to finance the placing of irrigation equipment, be it sprinkler or pumps or whatever is necessary, when they make that loan, if the loan is actually used for the purpose for which it is made, they have control over the spending of the money; then the title does vest and they then do have a mortgage that can be foreclosed and they could take possession of the land, as I understand it.

Mr. BUDGE. That is correct.

Mr. PoAGE. And consequently, they are safe in that they make the loan for the very purposes that vests the title. In other words, like when you take a mechanics lien on the building of a house, as I understand it.

Mr. BUDGE. That is correct.

I might point out to the committee that we have had quite a bit of experience in this type of development.

In my congressional district alone, over a quarter of a million acres of the desert has been irrigated primarily by underground water, something that we didn't know much about 10 or 15 years ago.

So the Farmers' Home Administration has had a considerable amount of experience in this field. And I am satisfied that they do not feel that it is a speculative field or a departure from the previous policies of the Farmers' Home Administration.

Mr. McINTIRE. What other lenders are there in the field now on this same type of loaning?

Mr. BUDGE. Insurance companies have loaned a great deal of money—life insurance companies. A number of eastern life insurance companies such as John Hancock, for example, has loaned a great deal of money for this type of development.

The banking institutions both in the area and out of the area have loaned a considerable amount of money for this type of development.

Mr. McINTIRE. Are these ownerships eligible under the Federal Land Bank requirements—do they loan on this type of title?

Mr. BUDGE. I would think so, after the patent is secured. But, of course, they could not loan either until the patent is secured, nor could they on homestead land.

Mr. McINTIRE. Do the insurance companies loan before the patent is issued?

Mr. BUDGE. Well, I would think either the banks or the insurance companies if the credit is something other than the land itself they would make the loan.

I do not know of anyone who is making the loan looking toward the land—just the land itself, because the land is relatively valueless. It is just so many acres of sagebrush. You cannot borrow anything from anyone just for the sagebrush.

Mr. McINTIRE. I realize that. But what I was trying to explore was whether the Farmers' Home Administration by virtue of this legislation will be lending in a field in which there is no lending at the present time or whether there is lending under the same arrangement as this legislation would provide.

Mr. BUDGE. If an individual has a credit rating and wants to borrow money to go in and develop this sage brush land, he can borrow it from the bank or from an insurance company, or other commercial lenders.

Mr. McINTIRE. We are not making the same rule on this, are we?

The Farmers' Home Administration would make the same credit analysis and lend on the credit standing of the individual, rather than the security. Or is it the thought that you would permit them to lend on security?

Mr. BUDGE. It is my understanding that the Farmers' Home Administration is supposed to only make loans where they cannot be obtained through commercial sources.

However, the Farmers' Home Administration has made so many loans in my congressional district on this type of development that they are not entering into any new field. It is simply giving them the authority to do that which they would like to do in making up loans which they feel and I feel are perfectly secure, as secure as any of the other loans which they make in the area.

On dry land, I think these loans would be far superior to any dry land loans out there when they cannot depend upon moisture.

Mr. POAGE. Any other questions of Mr. Budge?

If not, we are very much obliged to you, Mr. Budge.

Mr. BUDGE. Thank you, Mr. Chairman.

Mr. POAGE. We have a statement from the Secretary of Agriculture, a report on this bill. I will ask Mr. Heimburger to read it.

Mr. HEIMBURGER. We have a letter dated March 4, 1957, from the Department.

MARCH 4, 1957.

HON. HAROLD D. COOLEY,
Chairman, House Agriculture Committee,
House of Representatives.

DEAR CONGRESSMAN COOLEY: This is in reply to Mrs. Downey's telephone request of March 1, 1957, for a report on H. R. 3753, a bill to enable the Secretary of Agriculture to extend financial assistance to desert-land entrymen to the same extent as such assistance is available to homestead entrymen.

This Department recommends favorable consideration of the bill.

This bill would amend Public Law 361, 81st Congress, to authorize the Secretary of Agriculture to make loans under the Bankhead-Jones Farm Tenant Act, as amended, and the act of August 28, 1937, as amended, known as the Water facilities Act, to persons who are acquiring farms by means of desert-land entries to the same extent as loans are made to homestead entrymen under these statutes.

Public land is being made available in Western States for entry under the desert-land laws where water supplies may be developed for irrigation. Persons who are making desert-land entries do not secure patents to the land until they have spent certain specified sums for land clearing and installing irrigation works serving the land entered, as required by desert-land laws.

The failure of an entryman to comply with desert-land requirements is cause for the entry to be canceled by the Secretary of the Interior. Until the land is patented to the entryman, a mortgage on such land has practically no value as security for a loan that can be made under existing authorities.

Many of the entrymen apply to the Farmers' Home Administration for credit to install irrigation facilities and otherwise to develop and improve their farms. The Farmers' Home Administration has not been able to serve any of these applicants under the farm ownership program and has made soil and water conservation loans to a limited number of those who were able to give mortgages on property other than their desert entry.

This bill, if enacted, would permit the Secretary of Agriculture to obtain a valid mortgage on entered desert land prior to the issuance of a patent to the desert-land entryman, thereby permitting the Department of Agriculture to extend financial assistance to more of these entrymen.

This bill would not require any additional appropriation at this time. Available direct and insured loan funds would be adequate to permit loans to be made under the amendment, and the administrative expense funds would absorb the cost of making, insuring, and servicing such loans.

The Bureau of the Budget advises that there is no objection to the submission of this report.

Sincerely yours,

TRUE D. MORSE.

Mr. POAGE. Now I wonder if we have a representative from the Farmers' Home Administration. I would like somebody from the Farmers' Home Administration to explain just how they feel about the mortgage.

STATEMENT OF CHARLES C. BARNARD, DIRECTOR, BUDGET AND STATISTICS DIVISION, FARMERS' HOME ADMINISTRATION

Mr. BARNARD. I am Mr. Barnard from the Farmers' Home Administration.

I will read from Public Law 361 which tells what type of a mortgage we do get.

It says, "Any such loan required by the Secretary of Agriculture or by law to be secured by a real-estate mortgage may be secured by a mortgage contract which shall create a lien against the land in favor of the United States acting through the Secretary of Agriculture and any patent thereafter issued shall recite the existence of such lien." This means that the Farmers' Home Administration, the Department of Agriculture, gets a mortgage on the land.

The Department of Interior owns it. We get a mortgage on it.

If we have to foreclose we get the land.

Mr. POAGE. You get the land for the Farmers' Home Administration. What do you do with it? What do you do with it when you get it?

Mr. BARNARD. We could deal with it like any other land we might have.

Mr. POAGE. You can sell it?

Mr. BARNARD. Yes.

Mr. CAMPBELL. May I speak to that point?

Mr. POAGE. Yes.

STATEMENT OF HOWARD V. CAMPBELL, GENERAL COUNSEL'S OFFICE, DEPARTMENT OF AGRICULTURE

Mr. CAMPBELL. Mr. Chairman, I am Howard V. Campbell, General Counsel's Office, Department of Agriculture.

I want to further point out the provisions of Public Law 361, which is the act of October 19, 1949.

The entry on homestead or in a reclamation project merely entitles the entryman to begin his farming operations and to perform certain requirements of the Bureau of Land Management or the Bureau of Reclamation, including the cultivation of the land to be entered and the establishment of homestead.

During the period when that development is taking place, the entry is subject to cancellation. There is no conveyance of title. So there is no title to revert.

But upon cancellation the land is again available for entry by an eligible entryman.

The first entryman loses all of his interest in the land. Any lien that might be placed on the land after the entry and before patent is issued is automatically rendered ineffective by cancellation of the entry except as the rights of creditors are preserved by special legislation.

It was with that state of the law that Public Law 361 was initially passed to permit the Secretary of Agriculture to get a lien which would carry over beyond the cancellation of an entry, should the entryman fail to perform all of the requirements.

Public Law 361, in addition to the part which Mr. Barnard read, also provides that upon cancellation of an entry, prior to the completion of all of the reclamation and homestead requirements the land shall be available for reentry by a person eligible for the benefit of title I of the Bankhead-Jones Farm Tenant Act or the Water Facilities Act, and also eligible for reentry under the Department of Interior law, whether it be reclamation or homestead entry.

During that one year the Bureau of Reclamation and the Department of Agriculture reexamine the entry to see whether it is still in condition that an economic unit can be made out of it. And if it needs adjustment, an adjustment is made.

And if it needs reappraisal to determine the correct debt carrying ability of that land, those adjustments will be made and reentry and the new loan will be made on the reappraisal.

If at the end of 1 year no eligible entryman who is also eligible for title I Bankhead-Jones loan or water-facilities loan has been found, then instead of the land being retained under control of the Secretary of the Interior, the Secretary of Agriculture is given authority to sell the land and liquidate his loan interest in the land, and any improvements that may have been put on it in the meantime.

Mr. POAGE. Can he just go out and sell it by private sale?

Mr. CAMPBELL. After the year has passed and no eligible person has been found, then it is sold on the same basis as our other acquired property is sold.

Mr. POAGE. Your other acquired property—that is one of my great troubles in understanding this—you do not sell your other acquired property. You have a lot of property that has not been sold.

Just how do you sell this? That is what I want to know.

Mr. CAMPBELL. It is advertised.

Mr. POAGE. Do you go out and advertise it in the newspaper, or do you turn it over to a real-estate man? How do you sell it?

Mr. CAMPBELL. Section 43 of the Bankhead-Jones Farm Tenant Act provides any land that is not suitable for the purpose of that act shall be sold after public notice at the highest price obtainable, on terms of 20 percent down and 5 years on the balance.

And those are the terms on which this acquired surplus property which is not usable in the program is sold.

This bill, as I understand it, would put the desert-land entryman in the same category as the homestead entryman land for the purpose of liquidating the Secretary of Agriculture's interest in the land, in the event that it is not carried on by another eligible borrower and entryman.

Mr. McINTIRE. As I understand it, this land is public land under the management of the Bureau of Land Management. And if this desert entryman has a loan, under the Farmers' Home Administration, and if the operation of the loan is not successful, then by this law that you refer to, you cure that title by taking it out of the hands of the Secretary of the Interior and putting it over into the hands of

the Secretary of Agriculture, and it can be sold as any property that has been acquired.

Mr. CAMPBELL. It operates about that way, yes.

You see, the security title is still conditioned on the performance of all of the requirements of the Bureau of Land Management. And they may extend over a period of years.

I think in the desert-land case the application of the water must take place within 4 years of the entry. It won't be until after the entryman has done all of that, that the Bureau of Land Management will issue a patent on which a private lender will make a loan.

Mr. POAGE. Wait a minute. That is what I did not get. I thought after you had spent this year trying to get somebody to take up this bad deal that you then could go out and sell it.

But you don't—you just sell him the right to become an entryman; is that all?

Mr. CAMPBELL. No; there are two different problems, Mr. Poage. I was addressing my remarks to Mr. McIntire to the normal situation where the loan is still a going concern. Merely the fact that the patent does not issue until the requirements of residence and cultivation and application of water are met. If they fail——

Mr. POAGE. If during this year you get another entryman, he does not get a patent either, until he has complied?

Mr. CAMPBELL. That is correct.

Mr. POAGE. Let us take after the year has expired and you do not get anybody that wants to go out——

Mr. CAMPBELL. The first entryman fails to complete his requirements for some reason.

Mr. POAGE. He fails and spent a year's time trying to do it. You tried to get another one and you failed in that.

Then I understand the Department of Interior turns the land over to you.

As I understood, you just advertise it and sell it, just exactly like you sell a piece of land that you would acquire on foreclosure of a lien on privately owned land?

Mr. CAMPBELL. That is right.

Mr. POAGE. You sell it, and Mr. Kreuger can buy it and do anything in the world he pleases with it. All he does is to pay you 20 percent cash and he gives you a note for the other 80 percent. And he has a right to turn around and sell the land subject to that indebtedness; hasn't he?

Mr. CAMPBELL. Yes; conditioned on any provision in the mortgage that you take back, the vendor's lien, which might control the disposition of that land.

Mr. POAGE. That is exactly what we are asking. Do you control the conditions or do you sell it? That is what I want to know. If you put conditions in there, you do not make an unconditional sale. That is what I want to know. Do you make an unconditional sale; or do you not?

Mr. CAMPBELL. In the Columbia River Basin, on the reclamation projects, we do put in a provision in the mortgage on a credit resale of surplus property, that the residence requirements and the cultivation requirements and the antispeculation clause, which are rules of the Department of Interior, Bureau of Reclamation, shall apply the same as though the land was sold.

Mr. POAGE. Then you do not sell that property—you don't sell that property then.

You sell a man a right to go out there to buy the entry and pay for the improvements on it. That is really what he pays for. He does not pay anything for the land, does he, when you sell it to him? You have loaned John Smith \$10,000 to put irrigation works on the land. You figure it is now worth \$5,000. And Mr. Krueger wants to come out there and buy it. He never pays anything for that land. If he gives you \$4,000, that is a pretty good bid. Isn't that right?

Mr. CAMPBELL. I assume it would be a pretty good bid.

Mr. POAGE. What is it?

Mr. CAMPBELL. I assume that it is. I don't know that it is.

Mr. POAGE. You do not assume that he is going to pay you \$50 an acre for the land; do you?

Mr. CAMPBELL. That is out of my field.

Mr. POAGE. I mean, as a practical matter, what do you do? What has been your experience in selling this land? You must have sold some; I mean, of the homestead land.

What has been your experience? You never get anything for the land; do you?

Mr. CAMPBELL. I cannot answer that because I haven't been close enough to those sales.

Mr. POAGE. Is there anybody here that is close to the sales? Does anybody know what has happened?

Mr. BUDGE. The situation that you are talking about is on the reclamation project where the veterans are going in under the Homestead Act. The land is of immediate value. And I think under any reclamation project it can be sold for a substantial price per acre.

In the Grand Coulee project in Washington the land values are very high even before the land is cleared because the water is right there.

Mr. POAGE. That came from the water. What they are doing there is buying the water. They are getting the water rights. And it is that water right they are paying for; isn't it?

Mr. BUDGE. It is a part of the land. Water is there and the land is there, and together they make a very valuable investment for anyone.

Mr. POAGE. Let me start back and go through an illustration and see if we understand it. I do not believe many members of the committee understand it.

Let us assume that I have gone out and entered on 320 acres of land. I have contracted with the Farmers' Home Administration to loan me \$10,000 to put an irrigation project on the land. They put up the money. I build the irrigation works. I went broke. I didn't make my payments to the Farmers' Home Administration. They sold me out.

They spend a year trying to find somebody else who would become an entryman on terms that would be mutually satisfactory to the Departments of Agriculture and Interior.

So far that would be it; would it not?

Let us follow this thing. That is—or is it not right so far? Is that the case?

Mr. CAMPBELL. Yes, sir.

Mr. POAGE. All right.

A year has passed. Then, as I understand it, the next thing is that the Department of Agriculture, through the Farmers' Home Administration, advertises in the local paper they have got 320 acres of Poage land down here for sale. They put it up for sale.

And Mr. Krueger and Mr. McIntire bid on it. And Mr. Krueger comes in and bids \$4,000 on it, which I think probably would be high, and he gets it.

Now then, does he or does he not get that land, if he pays you 20 percent of it, which is \$800 in cash, and he gives you a note for the rest of it, payable over the next 5 years? He has done all of those things. Now he turns around and sells it to Mr. Heimburger. Can he; or does he have to move onto the land?

Mr. CAMPBELL. I think he can move onto the land under the last clause of section 2, Public Law 361, which says that the purchaser of such land shall be entitled to the issuance of a patent or deed upon the completion of all of the requirements with respect to the payment of charges against the land.

Mr. POAGE. That would only relate to the indebtedness.

Mr. CAMPBELL. There are some reclamation charges; some construction charges.

Mr. POAGE. Not if he put in the irrigation plant himself.

Mr. CAMPBELL. There would be on a reclamation entry, but not on the desert-land entry.

In the latter case, the only charge would be the nominal fee that Department of Interior gets for desert-land entry. And the Farmers' Home Administration loan——

Mr. POAGE. That is right. When he pays off that \$4,000, whether he pays it off or whether McIntire pays it off, they are entitled to a patent, aren't they?

Mr. CAMPBELL. If this act is amended to include desert land entry, when the loan was paid off, he would be entitled to a deed.

Mr. POAGE. Whether anybody ever lived on it or not—that is what I want to know. Does the man have to go out there—does he have to go live on the land? That is what I want to know.

Mr. CAMPBELL. As I understand the desert-land entry requirement, it does not contain a residence requirement. I haven't checked that recently. On the reclamation or homestead entry the requirements differ in that respect.

Mr. POAGE. If anyone pays off the charges, the only charges on it is the Interior Department charge for issuing the patent and the \$4,000 which he owes to the Farmers' Home.

When that is paid, whether he ever operates that irrigation system or not, it is his, isn't it?

Mr. CAMPBELL. That is correct.

Mr. POAGE. He has not to do any of these things that are required otherwise. He just gets good title to it, doesn't he?

Mr. CAMPBELL. He does.

Mr. POAGE. Does he get the minerals?

Mr. CAMPBELL. There may be minerals reserved in the patent under the desert-land entry. It is my recollection of the law that any lands on which there is the prospect of minerals, are not classified as available for desert-land entry.

If it was not so classified and there happened to be minerals developed, I think that the minerals would go.

The Department of Interior would issue the patent in those situations.

Mr. McINTIRE. Who issues the patent?

Mr. CAMPBELL. The Secretary of Agriculture would have no authority to issue a patent.

Mr. McINTIRE. If he defaults in the loan?

Mr. CAMPBELL. Even so, the patent would be issued out of the Department of Interior.

Mr. POAGE. That is the bill that you referred to, the 1949 bill?

Mr. CAMPBELL. The 1949 bill.

Mr. POAGE. That requires the Secretary of the Interior to issue the patents when that is done?

Mr. CAMPBELL. Correct.

Mr. BUDGE. Could I make one further comment?

Mr. POAGE. Yes.

Mr. BUDGE. I see no distinction from the practical standpoint between the desert entry situation and an adjacent piece of deeded land.

Mr. POAGE. That is just what I have been trying to find out, whether there is any distinction.

Mr. BUDGE. The land itself is practically valueless, whether it is deeded land or whether someone is coming in to establish a patent, eventually, through a desert entry.

The security which the Farmers' Home Administration has already loaned on in a number of instances out in my State on this deeded land, their security, so far as the land is concerned, is no better than the desert-entry man's right because the land that is involved in two adjacent strips, one belonging to the private owner and the other to the Government, the land itself is practically valueless.

Mr. McINTIRE. Does not this factor come into it? In the case of the deeded land he gets title to it. In the case of the desert entry he has no title. All he has is the possibility of getting one.

Mr. BUDGE. There is no value in the title itself, in the property which is covered by the title. From the practical standpoint in making loans, I see no distinction. I think the security is just as good in the one instance as it is in the other.

Your land becomes of value only after the improvements are placed upon it. It does not make much difference whether you have a mortgage on deeded land or whether you have a mortgage on whatever interest the entryman has.

Mr. HEIMBURGER. Mr. Campbell or Mr. Budge, or both of you, we have gone through this procedure now of putting the lands up for sale, the entry up for sale.

Does the purchaser of whatever you have to sell have to do anything except to pay the purchase price and any other incidental charges against the land in order to obtain good title to it?

Suppose he makes no further effort, does he have to do anything except pay for the land in order to get title?

Mr. CAMPBELL. Under Public Law 361, as now applied to reclamation projects and homestead entrymen, when the land is sold as surplus in liquidation of a Farmers' Home Administration loan, all he has to do is to pay the charges against the land, and does not have to comply with the homestead and reclamation requirements usually applicable to entrymen.

And the same would be true if the amendment was enacted, putting desert-land entry in the same category.

Mr. HEIMBURGER. The patent automatically issues when the payment is made and the like?

Mr. CAMPBELL. That is correct.

Mr. POAGE. Any further questions?

If not, we are very much obliged to you, Mr. Campbell, and to you, Mr. Budge. And the committee will pass upon this in executive session.

Let us go back and pick up Mr. Abernethy's bill which is H. R. 1045. Mr. Abernethy is here.

STATEMENT OF HON. THOMAS G. ABERNETHY, A REPRESENTATIVE IN CONGRESS FROM THE FIRST CONGRESSIONAL DISTRICT OF THE STATE OF MISSISSIPPI

Mr. ABERNETHY. Mr. Chairman, I do not think I will take over 5 minutes, unless the committee insists on a longer time.

Mr. Chairman and members of the committee: The purpose of this bill, H. R. 1045, is to simply give permanent status to the Soil Conservation and Domestic Allotment Act.

This act was passed first in 1936 and, as I recall, it was given a 2-year status.

As all members of the committee well know the program has grown tremendously and has proven to be very popular and very useful, as well as very beneficial to American agriculture from one end of the United States to the other.

And, Mr. Chairman, it is one of those programs in which every phase of American agriculture has a profound interest.

Now, when the act was about to expire in 1938, it was continued for 2 additional years. Then came 1940 and it was continued again for 2 additional years. And so on 10 consecutive occasions we have gone through the rather useless motion of continuing this program for 2 years at a time.

Everyone knows, and I think everyone now agrees, that it has become a permanent part of the program for American agriculture.

In the beginning, as I indicated a moment ago, it was not too important, but since that time it has gained tremendous momentum and has become important to every phase of agriculture throughout the country.

It was contemplated in the beginning that the States would take over the program including its administration.

For 21 long years the opportunity has been made available to the States to take over this function. And I think after the great length of time that has passed, everyone will concede that they are not going to take it over.

They might want to administer it, I concede, but they are not going to take over its responsibilities and financing. Otherwise, they would have taken steps to do so long before now.

In my judgment, it would be just as sound to turn over to the States the administration of the many other programs that we have for agriculture, such as the Farmers' Home Administration, or the Soil Conservation Service.

It has been indicated by one farm organization in a letter which the chairman has before him, that this program probably ought to be reviewed every 2 years, and for that reason they raise some question as to whether or not we should enact this bill.

The enactment of the bill would not prohibit the appropriate committee of the Congress from reviewing the program every 2 years or at any other interval.

A further answer to that complaint is, that the program is reviewed, not only every 2 years, but every year, as are all other programs for agriculture.

The reviews are conducted by the Appropriations Committee. That is a distinct function of the Appropriations Committee, to determine whether or not a program is moving along in such a fashion that it would be entitled to further financing by the Federal Government.

So the objection—and this is from the American Farm Bureau—does not impress me too much, because the complete answer to it is that there is a review in the Appropriations Committee annually.

The review is in the nature of determining whether or not the program has been sufficiently sound and is doing a good enough job to justify the appropriation of additional fund for the forthcoming fiscal year.

In conclusion, Mr. Chairman, I have not found anyone that wants to repeal the program. There may be some, but up until now they have not announced themselves in the Congress or in the committee in the 12 years that I have been on this committee. Nor have I heard any announcement to that effect by any Member of the Congress during my entire service here of 14 plus years.

American agriculture is tremendously interested in this program. I believe if any efforts were made to repeal it, it would be overwhelmingly defeated.

So, the simple purpose of my bill is to just nail down and make permanent the program and eliminate the appearance that we make every other year to renew it.

One thing that disturbs me about the renewal feature is that we never get around to it until just before adjournment. Just a few weeks before adjournment we begin to look around and see what we have failed to clean up in the way of legislation. This is one of those things. I am afraid that one of these days when adjournment is confronting us that the issues on the floor of the House may become so controversial, or that legislation may become so heavy, it may seriously endanger, if not defeat, renewal of the act.

The time has come for us to put the program on a permanent basis instead of bringing it up every 2 years and having a perfunctory movement on the floor of extending it.

That is all I have to say, Mr. Chairman, unless there are some questions.

Mr. POAGE. Since you began testifying we have been furnished with a copy of the Department's report on this matter.

Mr. ABERNETHY. I have not seen it. I have the Bureau's letter.

Mr. POAGE. You say you read the report?

Mr. ABERNETHY. I imagine it is a facsimile of the American Farm Bureau letter.

Mr. POAGE. I haven't observed any difference.

Mr. ABERNETHY. They seem to have very good liaison between their two offices, I will say that.

Mr. POAGE. But they both point out that your State is the only State in the Union that has suggested that it desires to avail itself of this to pay for this and so forth.

Mr. ABERNETHY. Well, Mr. Chairman, that was brought to my attention in 1952 that they had by some sort of enabling act down there put themselves in position to take it over, but I haven't found anyone pressing the Department to turn it over to them, particularly the financing of it. I doubt that they will. And furthermore, the Department of Agriculture turned them down.

Mr. POAGE. Are there any questions of Mr. Abernethy?

We will make the report a part of the record at this point.

(The report dated March 4, 1957 is as follows:)

MARCH 4, 1957.

HON. HAROLD D. COOLEY,
Chairman, Committee on Agriculture.

DEAR CONGRESSMAN COOLEY: This is in reply to your request of January 31, 1957, for a report on H. R. 1045, a bill "To amend the Soil Conservation and Domestic Allotment Act, as amended, and the Agricultural Adjustment Act of 1938."

This Department recommends against enactment of H. R. 1045 in its present form for the reasons stated below following our summary of the bill.

H. R. 1045 provides for striking out all parts of sections 7 and 8 of the Soil Conservation and Domestic Allotment Act, as amended, which authorize administration of the Agricultural Conservation Program through State plans and grants to States and which limit the period within which the Secretary of Agriculture is authorized to develop programs and make payments direct to farmers for the specified purposes.

The proposed amendment of section 388 (a) of the Agricultural Adjustment Act of 1938 is purely technical to bring about conformity with the proposed redesignations of section references in this regard in the Soil Conservation and Domestic Allotment Act, as amended.

Enactment of H. R. 1045 would empower the Secretary to exercise the authority conferred under sections 7-17 of the Soil Conservation and Domestic Allotment Act on a national basis for an indefinite period (without the necessity of seeking legislation every other year to extend the Secretary's authority to administer the program) except with respect to that part of section 16 which was amended by Public Law 1021, approved August 7, 1956, authorizing a Great Plains Conservation Program to terminate on December 31, 1971. Enactment would not require any change from the present method of administering the program.

The following facts are related to the purpose of H. R. 1045:

(1) During the 21 years that States have had authority to take action to administer the Agricultural Conservation Program enabling legislation has been enacted by and is still effective in 24 States and two insular areas. However, only one State plan (from the State of Mississippi) for State operation has been submitted to the Secretary (December 1951) and it was inadequate.

(2) Since the original legislation was enacted on February 29, 1936, the Congress has extended the authorized period of Federal operation of the Agricultural Conservation Program eight different times, for periods ranging from 2 to 5 years. The present authorization will expire on December 31, 1958.

Since section 1 of H. R. 1045, if enacted in its present form, would eliminate all subsection designations in section 7 of the act, the words "and the provisions of section 7 (g)" in the proviso in section 15 of the act also would need to be stricken out.

This Department believes that authority for operating the Agricultural Conservation Program through State plans and grants (if and when States submit acceptable plans), as provided in section 7 (b)-(g), should not be repealed. This appears to be consistent with congressional policy expressed in the Agricultural Act of 1954 which amended section 8 (a) to provide that during the period of Federal operation of the program, "the Secretary shall carry out the provisions specified in section 7 (a) through State action as rapidly as adequate State laws are enacted and satisfactory State plans are submitted." However, it now seems

evident that it will not be possible in the near future for all States to assume the responsibility that was anticipated in 1936 when this provision was enacted. Since it is necessary, therefore, to seek from time to time congressional extension of authority for further Federal operation of the program, the Congress may wish to consider it desirable to amend only section 8 (a) of the Soil Conservation and Domestic Allotment Act, to provide authority for the Secretary to administer the program in each State until such time as the State submits an acceptable plan and assumes this responsibility. The following wording, instead of the provisions of H. R. 1045 in its present form would, we believe, accomplish this change. However, the Department would not wish to deprive the Congress of the opportunity for a periodic review of the program.

"That section 8 of the Soil Conservation and Domestic Allotment Act, as amended (16 U. S. C. 590g), is further amended by deleting subsection (a) and inserting in lieu thereof:

"(a) The Secretary shall exercise the powers conferred in this section to carry out the purposes specified in section 7 (a), in any year and in any State for which no State plan has been approved for such State pursuant to section 7: *Provided, however,* that the Secretary shall carry out the purposes specified in section 7 (a) through State action as rapidly as adequate State laws are enacted and satisfactory State plans are submitted. Notwithstanding the foregoing provisions of this section and section 7, the provisions of this section with respect to the State, county and local committees of farmers shall continue in full force and effect for purposes other than the administration of State plans."

The Bureau of the Budget advises that there is no objection to the submission of this report.

Sincerely yours,

TRUE D. MORSE, *Acting Secretary.*

Mr. POAGE. And this is the only program of this kind which the law requires to be renewed every 2 years.

Mr. ABERNETHY. That is right.

Mr. POAGE. This is the only program.

Mr. ABERNETHY. I have no objection personally, to retaining in the law, the provision which would permit eventual transfer to the States. I have no objection to that.

I do not think it will ever be consummated, to tell you the truth about it. If it is transferred to them and they find themselves financially able to take it over and administer it, that suits me fine.

What I want to do and what this committee ought to do is to get rid of this thing of calling this bill up every 2 years on the consent calendar of the House.

Mr. POAGE. Otherwise shouldn't we also require the Farmers Home Administration and these others to be in the same position?

Mr. ABERNETHY. That is the point I want to make.

Mr. POAGE. We do not want them to have to come to us and ask for authority to carry on research every 2 years.

Mr. ABERNETHY. Certainly not.

Mr. POAGE. Would it not be just as logical?

Mr. ABERNETHY. I think it would be just as logical. It would be just as logical.

Mr. McINTIRE. I think perhaps Mr. Abernethy has answered the question I have. There are two parts to this bill, I understand.

One is for the permanent status of the Soil Conservation and Domestic Allotment Act. And the other provision would be to remove and to transfer it to the States.

Mr. ABERNETHY. That is correct.

Mr. McINTIRE. Of the two, the one in which you have the greatest interest is that of permanent status.

Mr. ABERNETHY. That is right.

Mr. McINTIRE. Thank you.

Mr. ABERNETHY. That is right.

I have nothing further, Mr. Chairman.

Mr. JOHNSON. I haven't had a chance to read the report. Does the Department object to the permanent status?

Mr. POAGE. To adopt an amendment which would more or less make the thing permanent unless some State wanted to assume the responsibility.

Mr. ABERNETHY. I haven't read the report.

Mr. POAGE. It just came in since you went on the stand. It was just delivered a few minutes ago.

Mr. ABERNETHY. We requested the report back in January, I think.

It was January 17, I understand.

And evidently, this hearing expedited it.

Mr. POAGE. Of course, that is the point that you are making, that these things always drag on.

Mr. ABERNETHY. That is right.

Mr. POAGE. And there isn't any necessity of having to get caught in the end of the seasons' rush every 2 years. We will have exactly the thing we have had with this report, nearly 2 months go by and you do not get the report.

And, therefore, you finally wind up the last week of the session. Sooner or later we will lose the whole program.

Mr. ABERNETHY. The facts are that the Appropriations Committee makes its appropriation every other year in anticipation of the act being renewed. They will do the same thing next year if the law stays as it is. Actually unless we renew it there is no authority on the statute books to make that appropriation.

So they make the appropriation in anticipation of the legislative authority being continued. They do that every other year.

There is no question in the minds of the Appropriations Committee but that it is going to be renewed. There seems to be no question in the minds of anyone that it will be renewed. I think we ought to get rid of this thing of bringing it up in the last days of the session every 2 years. That is the only objective in this legislation.

Thank you, Mr. Chairman.

Mr. POAGE. Thank you, Mr. Abernethy. Mr. Williams, do you have anything to say on this?

(No response.)

Mr. POAGE. Is there somebody here from the ACP?

Mr. KOGER. I am Administrator of the Agricultural Conservation Program. I have a statement.

Mr. POAGE. We will be glad to have you make a statement.

STATEMENT OF PAUL M. KOGER, ADMINISTRATOR AGRICULTURAL CONSERVATION PROGRAM SERVICE, DEPARTMENT OF AGRICULTURE

Mr. KOGER. Thank you, Mr. Chairman and members of the committee, I am glad to have this opportunity to discuss with you the bill H. R. 1045. This bill would repeal that part of the Soil Conservation and Domestic Allotment Act, as amended, which authorizes

administration of the agricultural conservation program through State plans and grants to States.

The effect of it would be to withdraw the offer to States to administer the program and result in the administration of the program as a Federal operation for an indefinite period.

If H. R. 1045 were enacted it would not change the present method of administering the agricultural conservation program.

The Department is not in favor of the enactment of H. R. 1045 in its present form. We do not believe that the Congress should change existing legislation so as to deny all States any opportunity to participate in administering the program.

While no State government operation has been undertaken up to this time, there may be situations where State administration would be appropriate.

State governments may wish to contribute either appropriations, services or both toward administration and operation of the program in their States, especially for conservation benefits which are particularly desirable from a State standpoint.

It is our feeling that the Department should stand ready at any time to join with and encourage any State that can carry out the program as efficiently or more efficiently than can be done through Federal operation of the program.

This position, I believe, is consistent with the congressional policy expressed in the Agricultural Act of 1954 which amended section 8 (a) to provide that during the period of Federal operation of the program, the Secretary shall carry out the program through State administration as rapidly as adequate State laws are enacted and satisfactory State plans are submitted.

It is for these reasons that we oppose the enactment of H. R. 1045 in its present form.

While the Department recognizes the necessity under present procedures for congressional extension of the authority from time to time to enable the Secretary to carry out an agricultural conservation cost-sharing program with farmers, it would not wish to deprive the committee of the opportunity for a periodic review of the agricultural conservation program.

It now seems evident that it will not be possible in the near future for all States to assume the responsibility that was anticipated in 1936 when the provision for State administration was enacted.

Under the procedure which has been followed since then, it has been necessary to seek from time to time congressional extension of the authority for further Federal operation of the program.

During the 21 years that States have had authority to take action to administer the agricultural conservation program, enabling legislation has been enacted by and is still in effect in 24 States and 2 Insular areas.

However, during that period only one State plan for State operation was submitted. That submission was in 1951 and was rejected by the Department on January 5, 1953.

Since the original legislation was enacted on February 29, 1936, the Congress has enacted necessary extensions of the authorized period of Federal operation of the agricultural conservation program.

The extensions have been for periods ranging from 2 to 5 years. The present authorization for Federal operation will expire on Decem-

ber 31, 1958. It will therefore be necessary to seek congressional action with respect to this provision prior to that expiration date.

The program for each year is formulated on the basis of a specific advance Congressional authorization granted in appropriation acts before the program for the year is announced by the Secretary.

It is, therefore, our recommendation that the Congress retain the authority for States to administer the program after acceptable plans are submitted and approved and which would otherwise authorize the Secretary of Agriculture to administer the program in any State in accordance with present procedures.

In our report to the committee on this bill, we included language which we believe would accomplish retention of authority for administration by any State submitting an acceptable program.

Mr. Chairman, I appreciate this opportunity to appear before your committee to discuss this proposed legislation. Several other representatives from the Department are here with me. We will be glad to supply any additional information you desire or answer questions which you may have.

Mr. ABERNETHY. The Department does not oppose the program; does it?

Mr. KOGER. If Congress is satisfied.

Mr. ABERNETHY. I mean the program, not the bill?

Mr. KOGER. No, sir; they do not.

Mr. ABERNETHY. It is in favor of the program?

Mr. KOGER. Yes.

Mr. ABERNETHY. And you have been in your particular position only a short while, of course, but so far as you know the Department has never opposed the program?

Mr. KOGER. That is right.

Mr. ABERNETHY. Since its enactment in 1936. And so far as you know the Department has never interposed the first objection to the continuation of this program every 2 years by a new act?

Mr. KOGER. That is correct.

Mr. ABERNETHY. And the Department will not oppose a bill next year or even now extending it 2 additional years? It would not, would it?

Mr. KOGER. No, sir.

Mr. ABERNETHY. It would not?

Mr. KOGER. In my opinion, it would not.

Mr. ABERNETHY. Would it oppose it 4 years from now?

Mr. KOGER. Well, as far as I know, no, sir.

Mr. ABERNETHY. So far as you know. So, so far as you know right now, the program is just as permanent, so far as the Department feels about it, as is the soil conservation program or the Farmers' Home Administration, or any other program that we now have for agriculture?

Mr. KOGER. Yes, sir.

Mr. ABERNETHY. Though it has a short life status which has to be renewed every 2 years. I am sure that the Department is not telling the committee that the States have made an earnest effort or even the slightest effort to take over the administration and financing of the program; have they?

Mr. KOGER. So far as I know, only one State has submitted a plan.

Mr. ABERNETHY. That was my State?

Mr. KOGER. That was Mississippi; yes, sir.

Mr. ABERNETHY. They submitted their plan when?

Mr. KOGER. In 1951.

Mr. ABERNETHY. And what happened to it?

Mr. KOGER. It was rejected.

Mr. ABERNETHY. It was rejected. And you rejected it?

Mr. KOGER. The Secretary of Agriculture, Mr. Brannan.

Mr. ABERNETHY. Does not that put the Department in a rather untenable position, to say we will wait for the States to submit a plan; and when a State submits a plan, they have turned it down, and yet you want to continue the program more or less as is, on the theory that they ought to have a right to take it over?

Mr. KOGER. Well, with this particular plan I do not recall the reasons why it was rejected, but evidently it was not acceptable.

Mr. ABERNETHY. It was not acceptable?

Mr. KOGER. No.

Mr. ABERNETHY. So the Department found itself in the position of asking that, "we do not amend this law, let us not take this out, let us give the States an opportunity to take it over," and when a State submits a plan, and the only State in the 48 States that submitted one is my own, the Department rejects it.

What next would the Department expect of the State of Mississippi and other States in order to present something that they would accept?

Mr. KOGER. We hope that States will submit plans that will be acceptable.

Mr. ABERNETHY. We have been so hoping for 21 years. That is right; isn't it?

Mr. KOGER. Since 1936.

Mr. ABERNETHY. Since 1936?

Mr. KOGER. Yes.

Mr. ABERNETHY. Does the Department have any idea when the States might submit a plan that might be acceptable?

Mr. KOGER. No; we do not.

Mr. ABERNETHY. You do not?

Mr. KOGER. No.

Mr. ABERNETHY. So, so far as the Department knows right now, the States may never submit a plan that will be accepted?

Mr. KOGER. But the Department does not want to deprive the States of the opportunity of submitting a plan.

Mr. ABERNETHY. That is right. Would the Department be agreeable to the submission of a plan to take over the Soil Conservation Service?

Mr. KOGER. No, I do not think so.

Mr. ABERNETHY. You do not think so. Would it be agreeable to the submission of a State plan to take over the Farmers' Home Administration?

Mr. KOGER. I would not think so.

Mr. ABERNETHY. I would not, either. I think you are right. Would it be agreeable to submitting a plan to take over the entire Department of Agriculture by the States?

Mr. KOGER. No, sir, I do not think so.

Mr. ABERNETHY. I do not, either. Then why should we go along piecemeal like this in anticipation of the States doing something which they have never done up until now for 21 years, and say,

"Well, we think we ought to hold this opportunity out for them, they have never done it but they may do it in the future?" Why should we do that?

Mr. KOGER. That is something that I cannot answer for the Department.

Mr. ABERNETHY. I will say this, and then I am through: The Department does regard this as an important thing?

Mr. KOGER. Yes, sir.

Mr. ABERNETHY. I am sure you do. They regard the program as being one of such benefit to American agriculture that they would not want to eliminate it or dispose of it. You do feel that it is a sound program?

Mr. KOGER. Yes, I do.

Mr. ABERNETHY. That is all.

Mr. POAGE. If any State were to submit a plan that the Department would approve, is it not reasonable that they would submit that to this committee and in all probability get rather prompt action?

In other words, it would not foreclose the right to come up here with that and submit it.

Mr. ABERNETHY. They seem to operate in the reverse. I have never heard of one from down in my State submitting a bill trying to take over the program.

Let me ask this question: Is the objection premised on the desire of the Extension Service to take over the administration of this program?

Mr. KOGER. I do not think so.

Mr. ABERNETHY. You don't think so?

Mr. KOGER. No, sir. I have no knowledge to that effect.

Mr. ABERNETHY. That is all.

Mr. McINTIRE. In relation to the States that have passed enabling legislation, is there any part of the administrative work of this program which comes under the jurisdiction of the enabling legislation in any one of those States?

Mr. KOGER. No, sir.

Mr. McINTIRE. Then it is different from the enabling legislation of the soil-conservation district, is it not?

Mr. KOGER. Yes.

Mr. McINTIRE. That program is administered at the Federal level and goes through the soil-conservation districts which are set up through the enabling legislation at the State level?

Mr. KOGER. The ACP program is administered through county ASC committees and State committees.

Mr. McINTIRE. But there is a difference between the ASC and the SCS programs where the States do have enabling legislation, and administratively you move through the vehicle of the soil-conservation districts which are State and not Federal?

Mr. KOGER. Yes, the ASC committee.

Mr. ABERNETHY. I have one other question.

As I understand the attitude of the Department, it has no objection to putting the program on a permanent basis, provided we retain a provision that would in the future permit the States to take it over?

Mr. KOGER. Providing that this committee would be satisfied with the review that is given each year by the Appropriations Committee.

In other words, we do not want to deprive the Congress of the right to review the program from time to time.

Mr. ABERNETHY. I do not recall any particular review we have had of the program in this committee. That has been a function of the Appropriations Committee.

Mr. POAGE. Are there any further questions?

Mr. HAGEN. The only complaint of the ACP program which I have heard is that too much of the payments are made for what might be determined to be practices which go into production of annual crops, rather than having any long-range impact on true soil and water conservation.

Presently does the Secretary have enough authority to control the direction of these payments?

Mr. KOGER. Yes, I would think so. We have the legal division represented here.

STATEMENT OF W. K. SCHOONOVER, UNITED STATES DEPARTMENT OF AGRICULTURE

Mr. SCHOONOVER. Mr. Chairman, the Secretary has very broad authority. He can impose whatever conditions he thinks are necessary and appropriate to see that the program is carried out consistent with the purposes of the act. And any condition consistent with those purposes that he wants to put in the regulations, certainly it is within the legal authority he has.

Mr. HAGEN. To amplify that, for example, a lot of these payments go for putting fertilizer on an annual crop. It does not accomplish any long-range conservation or soil or water.

Mr. SCHOONOVER. I think perhaps the program people ought to answer that, but I do not believe that is correct. We would not pay for fertilizer for an annual crop. I expect Mr. Ritchie had better answer that.

STATEMENT OF F. A. RITCHIE, DEPUTY ADMINISTRATOR, AGRICULTURAL CONSERVATION SERVICE

Mr. RITCHIE. Mr. Chairman:

As of now, sir, the only payment that is made for fertilizer is for that which is supplied in connection with the establishment of conservation cover. And generally that is for cover that occupies the land for some time.

There are some annual-type covers that have to be established in the summer or in the fall, but those are not crops to the extent that the farmer sells the product of that planting. Those are annual legumes and grass. They are planted to protect the land from wind or water erosion over the summer or the winter.

Most of the fertilizer applications are in connection with establishing long-term cover, long-term legumes, or grass seedings which bring about a change in the land use and keep it tied down for a long time.

Mr. HAGEN. I am glad to hear that.

Actually, the way these practices originate in given States is that the local State ASC committee makes a recommendation as to what they will make a payment on. It has to be counterapproved by the Secretary himself. Isn't that correct?

Mr. RITCHIE. Yes, sir; that is correct.

Mr. HAGEN. The Secretary does have complete control of the program?

Mr. RITCHIE. Yes, sir; a national program is developed each year for the practices that the Department considers of sufficient merit to justify cost sharing.

From that program the State ASC committee, the State conservationist of the Soil Conservation Service and a representative of the Federal Forest Service in consultation with the other State and Federal agencies that are interested in conservation in the State develop a State program.

From that State program a similar group develops a program within each county.

So that the practices are controlled by the national office.

Mr. POAGE. Are there any further questions?

If not, we are very much obliged to you gentlemen.

The committee will take this bill under consideration. And we will pass to the next one.

Actually, the next bill is a bill that was introduced by Mr. McIntire, Mr. Avery, Mr. Weaver, and myself. But I see that Mr. Sikes has been waiting a long time. It is all right with you to pass on and take out of order Mr. Sikes' bill, H. R. 5497?

Mr. MCINTIRE. Perfectly all right.

Mr. POAGE. We will hear from you, Mr. Sikes.

**STATEMENT OF HON. ROBERT L. F. SIKES, A REPRESENTATIVE IN
CONGRESS FROM THE THIRD CONGRESSIONAL DISTRICT OF
THE STATE OF FLORIDA**

Mr. SIKES. Mr. Chairman, that is very considerate and I do appreciate your thoughtfulness.

The chairman, and the committee of course, have been very much interested in the Watershed and Flood Prevention Act, and have contributed very substantially toward the success of that act.

And I am sure that you agree that it is highly important legislation.

I have introduced H. R. 5497 which is an amendment to the Watershed and Flood Prevention Act which would enable the Federal Government to participate in financing projects of a recreational nature when those projects provide a major portion of the income of the immediate vicinity of the project.

In my district, and I am sure this also is true in many other districts, there are communities whose economic conditions are directly or indirectly based on recreational activities and the businesses which stem from those recreational activities.

I feel that these communities should not be discriminated against for their lack of other sources of income such as agriculture.

On the contrary, they should be given the same privilege of financial participation in the watershed program as other communities with economic factors whose development is assisted by Federal financing.

In connection with this, Mr. Chairman, I would like to quote from the Presidential Advisory Committee report on Water Resources Policy, dated December 22, 1955. Page 31 of that report reads as follows:

The committee has considered many cost-sharing proposals and has weighed carefully the elements of fairness to all concerned and precedents for sharing the cost of other programs.

Further, it gave due recognition to the types of benefits accruing to individuals, groups of individuals, local and State governments, and the Nation as a whole. It was unable to discover for all cases a completely equitable yet practicable procedure for cost sharing based solely on the principle of sharing costs in proportion to benefits.

The committee recommends, as a general policy, that all interests participate in the cost of projects in accordance with the measure of their benefits, and that the Federal Government assume the cost of that part of projects where the benefits are widely dispersed and represent substantial contributions to the general economic growth of the country or region, or to the national defense.

On page 32, the policy report states:

The committee believes that the enhancement or improvement of basic recreation facilities (provision for access, public health, safety, and protection) and fish and wildlife resources of less than national significance should be treated in accordance with the general cost-sharing procedure proposed herein. Those of national significance should be financed entirely by the Federal Government.

You see, gentlemen, the amendment that I am offering conforms with the recommendation of the President's Committee.

The amendment which I offer will have an important effect throughout the Nation, and I think would be of great benefit.

Quite frankly, my interest in it was activated by a situation which has arisen in my own district where we are seeking a watershed project for the Dead Lakes area which has long been famous for fresh-water sport fishing.

In recent years a low-water table has virtually destroyed that once-important industry which always has been the chief source of income for the residents of the area.

Now you go out to that area and you will find 10 to 20 boats a day on the huge lake which covers a substantial part of two counties. For comparison of better times there are pictures in existence taken from aircraft in the heyday of this area which showed as many as a thousand boats on the lake.

Now the industry is virtually gone. An additional detriment to a constant water level in this area has been provided by the construction of the Jim Woodruff Dam on the Apalachicola River. The level of the river has considerable influence on the level of the water in the Dead Lakes and floodwaters which are impounded above the dam are not now available to help restore the needed water level in the Dead Lakes.

As an illustration of this, the average gage reading prior to the construction of the dam was 5.9 feet. Since the dam has been built the gage has fallen to an average of 3.1 feet.

A watershed project which would provide a Tumbler Dam for Dead Lakes and maintain a constant water level would be a comparatively inexpensive item. Because the lake has a narrow mouth the project would be built at an estimated cost of \$150,000.

This is one type of recreational project that would benefit from this legislation. There are others which are equally important to their communities.

Now these projects cannot participate because the present law does not permit contributions by the Federal Government to the projects that are based principally on recreation. Obviously, recreation in many areas in the Nation is just as important a source of livelihood to

the people that live there as would be agriculture in other areas. However farmers also have an important stake in this amendment.

I trust that the amendment will be approved so that recreation when it provides the major source of income for an area can be placed on the same basis as those activities which are now authorized for Federal financial participation in watershed projects.

Of course, I will be glad to answer any questions the committee may wish to ask.

I would like to indicate the presence here of the representatives of the United States Department of Agriculture, representatives of the Florida State Game and Fresh Water Commission, and of the Federal Fish and Wildlife Service.

And Mr. Matthews, a member of your committee who is cosponsor of the important watershed amendments which Congress enacted in the last session, would like to be heard.

Mr. POAGE. Very well. You may proceed.

STATEMENT OF HON. D. R. (BILLY) MATTHEWS, A REPRESENTATIVE IN CONGRESS FROM THE EIGHTH CONGRESSIONAL DISTRICT OF THE STATE OF FLORIDA

Mr. MATTHEWS. Mr. Chairman, I appreciate having this opportunity, immediately following my colleague's testimony, to say that I share his views.

I appreciate the excellent statement that he has made. And I certainly hope our committee will give favorable consideration to his bill.

I just wanted to make that statement. I have no particular questions to ask.

Mr. POAGE. Mr. Sikes, it seems to me that there is a reference here to cost. Do you propose to have the Federal Government pay all of this cost?

Mr. SIKES. Not to pay all of the costs but to pay in the same proportion that they are now paying for agriculture and flood-control projects. There would be cases where the Government would pay all of the costs.

Mr. POAGE. Under a bill we passed last year it would provide that the Federal Government would pay all of the reclamation costs.

Mr. SIKES. It is my belief that the Government would participate percentagewise in the same manner as it does at present.

Mr. JOHNSON. The cost of the dam is not now a part of that, is it?

Mr. POAGE. Mr. Heimburger says he has that now.

Mr. HEIMBURGER. The amendment that the gentleman's bill would make is to a section of the bill which is amended by your bill. And the relevant provision now reads—section 4 of the act:

The Secretary shall require as a condition to providing Federal assistance for the installation of works of improvement that local organizations shall—

and then there is a (1), and here comes number (2)—

(2) assume such proportionate share of the cost of installing any works of improvement involving Federal assistance as may be determined by the Secretary to be equitable in consideration of anticipated benefits from such improvements—
involving Federal assistance which is applicable to the agricultural phases of the conservation development and disposal of water.

And at that point then you put in the words "or for recreational or fish and wildlife development."

It would fall within that provision of the act which requires the assuming of part of the cost by the local organizations.

Mr. SIKES. That is the intention of my amendment.

Mr. POAGE. It requires the local people to assume a portion of the cost?

Mr. SIKES. I understand that.

Mr. POAGE. It does not affirmatively require the Federal Government to assume a portion of that cost; is that right?

Mr. HEIMBURGER. I think the contrary is true. The necessary implication is that the Federal Government would assume a part of the cost.

Mr. JOHNSON. Wouldn't it be proportioned to other agricultural acts?

Mr. SIKES. It is the intention of the amendment to make recreation proportionate with agriculture in Federal benefits.

Mr. HEIMBURGER. Mr. Sikes, this bill amends a provision of a former bill.

Mr. SIKES. That is correct.

Mr. HEIMBURGER. It leaves out one of the changes, that it does not amend the overall authorization section of the act which is section 2. I believe your previous bill did that.

Have you determined upon consultation with the people who are familiar with the administration of this act that it is not necessary to enlarge the general authorizing clause?

Mr. SIKES. That is the reason for the reintroduction of the bill in the present form. It was after consultation with the agency of Government which will have to administer the bill, and upon their recommendation, that the present changes were made.

Mr. HEIMBURGER. Thank you.

Mr. POAGE. Are there further questions of Mr. Sikes?

Mr. McINTIRE. It seemed to me, Mr. Chairman, when we were considering your bill, we broadened the general area of application of that legislation a year ago.

Mr. POAGE. That was added in order to enable the Soil Conservation Service to participate.

Mr. McINTIRE. Do I understand that it is the intention of this bill, Mr. Sikes' bill, to broaden the general application of the whole legislation to take it out of the field of agriculture and bring it over into the field of recreational and fish and wildlife management?

Mr. SIKES. It is intended only to include recreational projects and those involved in fish and wildlife activities on the same basis as agriculture under existing legislation.

That is the substance and intent of the bill.

Mr. McINTIRE. Is it intended by this amendment that the participation on the part of the Federal Government in the recreational and fish and wildlife development practice shall be in relation to agriculture, or are these to be taken separately and apart from agriculture?

Mr. SIKES. These are to be taken separate and apart from agriculture. There are areas where agriculture is of very little consequence, but where recreational activity may be the major source of income. This amendment as I said in my statement, is based directly on the recommendations of the President's Committee.

Mr. McINTIRE. What I am trying to develop was that my understanding of the Watershed Protection and Flood Prevention Act was that it is related to projects concerning agriculture and there is a tie-in there.

Why I first raised the question on the legislation last year was in relation to the disposal of water. My recollection of that, too, was that it was tied to the agricultural work.

Mr. JOHNSON. That was one of the ideas that was developed along with it.

Mr. POAGE. Any further questions?

Mr. JOHNSON. Under last year's legislation the recreational benefits could be developed so long as they went along with the watershed works.

This particular legislation sets that up as a separate project. Am I right, Mr. Sikes?

Mr. SIKES. It is my understanding at the moment that the Federal Government cannot participate directly in a development of a recreational project.

Mr. JOHNSON. Unless it goes along with the watershed and flood prevention projects. As an aftermath in setting up one of these projects you can develop it now for recreational projects along with it.

Mr. SIKES. Yes.

Mr. JOHNSON. You want to set it up as a separate thing?

Mr. SIKES. I want recreational projects considered separately and apart from agriculture where they constitute the principal income.

Mr. POAGE. Do you contemplate asking at the same time for a change in the flood-control law?

Mr. SIKES. I have no present plans for any legislation other than this.

Mr. HAGEN. There are proposals along that line.

Mr. POAGE. This is flood prevention as distinguished from flood control.

Do you contemplate seeking to put the same formula in the authorization for flood control?

Mr. SIKES. Not at this time.

Mr. POAGE. Do you think it should be done?

Mr. SIKES. Well, frankly, I haven't progressed that far, Mr. Chairman, in my thinking on the matter. It would seem there is justification for it.

Mr. POAGE. Any further questions? If not, we thank you very much.

Mr. SIKES. Thank you.

Mr. POAGE. Next is Mr. Don Williams.

Do you have a statement to make?

Mr. WILLIAMS. Yes.

Mr. POAGE. You may proceed.

STATEMENT OF DON A. WILLIAMS, ADMINISTRATOR, ACCOMPANIED BY CARL B. BROWN, DIRECTOR, PLANNING DIVISION, SOIL CONSERVATION SERVICE

Mr. WILLIAMS. Mr. Chairman, I have a brief statement which will contain a little bit of repetition of some things that were just mentioned here with reference to the water resources policy recommendations that the President sent to the Congress.

We appreciate this opportunity to testify on H. R. 5497, a bill to amend the Watershed Protection and Flood Prevention Act.

Section 4 (2) (a) of the Watershed Protection and Flood Prevention Act, as amended, provides that—

The Secretary shall require as a condition to providing Federal assistance for the installation of works of improvement that local organizations shall * * * assume * * * such proportionate share, as is determined by the Secretary to be equitable in consideration of direct identifiable benefits, of the costs of installing any works of improvement, involving Federal assistance, which is applicable to the agricultural phases of the conservation, development, utilization, and disposal of water * * *.

H. R. 5497 would add at this place "or for recreational and fish and wildlife development."

Thus, recreation and fish and wildlife developments would be eligible for some degree of Federal cost-sharing as a part of watershed projects if the Secretary finds that they produce other than direct identifiable benefits.

The provisions of H. R. 5497 are consistent with the recommendations contained in a Report of the Presidential Advisory Committee on Water Resources Policy which was transmitted to the Congress by the President on January 16, 1956.

Under the heading of "Recreation and Fish and Wildlife" this report states (p. 32):

The committee believes that the enhancement or improvement of basic recreation facilities (provision for access, public health, safety and protection) and fish and wildlife resources of less than national significance should be treated in accordance with the general cost-sharing procedure proposed herein.

The general cost-sharing procedure described in this report (p. 31) is as follows:

The committee recommends, as a general policy, that all interests participate in the cost of projects in accordance with the measure of their benefits and that the Federal Government assume the cost of that part of projects where the benefits are widely dispersed and represent substantial contributions to the general economic growth of the country or region, or to the national defense.

The division of costs between Federal and non-Federal entities should be equitably determined on the basis of the degree and character of the respective interests, and the ability to identify direct beneficiaries.

Where the project is primarily of a local character, and where beneficiaries are readily identifiable, the Federal Government's contribution should be limited, with the non-Federal interests bearing a substantial portion of the construction costs of the project as well as the replacement maintenance, and operation costs.

Printed copies of H. R. 5497 have not yet become available to the Department and the Bureau of the Budget. It has not been possible, therefore, to establish any policy position on this proposed amendment.

As a matter of principle, however, the Department would take the view that recreation and fish and wildlife benefits of more than local character must be fully demonstrated before any Federal cost-sharing would be provided for installation of works of improvement.

Significant benefits of national or regional character should accrue to justify Federal cost-sharing. The Department reaffirms its position that the costs of producing purely local benefits should be borne by local organizations and that benefits which are confined within the limits of a State should be the primary responsibility of State government and local organizations.

Moreover, in the selection of projects for Federal assistance the Department would ordinarily give lower priority to projects in which recreation and fish and wildlife were dominant purposes than to those projects which were primarily for watershed protection, flood prevention, and agricultural water management.

On the other hand, it is our conviction that all types of water-management needs should be provided for in watershed projects. Where recreation and fish and wildlife are important elements in multiple-purpose watershed protection and development, they should be given full consideration in keeping with the potential benefits which may stem from them.

I might add to that, Mr. Chairman, that in several of the Public Law 566 projects that are now in the watershed planning stage that there are a number of recreational interests and fish and wildlife interests involved, and that even though the present act does not permit through the cost-sharing provisions in the Federal Government sharing in the cost of recreational and fish and wildlife purposes, that features of programs desired by local people are being included in the watershed plans even though they are being paid for by other than Federal Government sources.

Mr. Brown is here with me, who is more conversant with the details of some of these than I am. Perhaps between us we can answer some questions.

Mr. POAGE. Mr. Brown, do you have any statement to make?

Mr. BROWN. No, sir, I do not.

Mr. POAGE. Are there any questions of either?

Mr. HEIMBURGER. At the present time you say you can include facilities for or related to fish and wildlife and recreation as part of a project undertaken under this, is that correct?

Mr. WILLIAMS. That is correct.

Mr. HEIMBURGER. If they are included at the present time. However, if they are not included they can be included only on the basis that the local agency must seek the inclusion of such on the basis of national interest.

Mr. WILLIAMS. That is correct. You see, the projects developed under Public Law 566 are not Federal projects but local projects. Therefore, the watershed plans that are developed are local plans and they have the right to include anything in those plans that they choose to include.

The financial participation must be limited by the purposes of the legislation as it stands at any given time.

Mr. HEIMBURGER. What recreational or wildlife projects costs would be considered of such importance to the national interest where the Federal Government would participate in the cost of such national interest?

Mr. WILLIAMS. That is a little difficult to accurately define. However, there are benefits of a secondary nature that are still tangible benefits that accrue to an entire area, which have a degree of general public interest, as contrasted to something which would be purely of local benefit such as local sales of sporting goods or something of that sort.

So I think that the given situation would have to be appraised to determine what percentage or what degree of general public interest there would be involved.

I doubt that any specific formula could be made to apply to a number of different cases.

Mr. HEIMBURGER. I know this calls for a little expression of opinion on your part. But, do you suppose that if this were in the law that most of the proposed recreational or fish and wildlife projects would have enough national interest or regional value that you would feel compelled to participate in the cost?

Mr. WILLIAMS. I think that a fairly high percentage of them would have some degree. But I think many of them would probably not.

Mr. HEIMBURGER. In your opinion, if this bill were enacted, would this enable you to establish a project under the act solely for the purposes of development of fish and wildlife or recreational and wildlife programs?

Mr. WILLIAMS. It is my opinion, Mr. Heimburger, that the basic purpose of the act is one of watershed protection, of land treatment, supported by supplemental measures for the purposes of flood prevention and for agricultural waters use.

If the fish and wildlife and recreational purposes were added to the agricultural purposes it would not change the requirement of the act, the basic requirement of the act, of a watershed treatment or watershed protection activity, for watersheds up to 250,000 acres in size.

So it would seem to us, that while they might not be specifically excluded it would be a matter of essentially low priority with respect to the total purposes.

Mr. POAGE. Let me ask, how much money did you ask for this year for the flood prevention program?

Mr. WILLIAMS. The sum of the 566 activities and the pilot projects which are still in operation, I believe was \$25½ million for the 1958 budget.

Mr. POAGE. Now then, if you add the recreational projects how much money do you anticipate that would add to your needs?

Mr. WILLIAMS. I do not know whether we have any estimate on that or not.

Mr. POAGE. If we passed this bill, would you ask for a supplemental appropriation? If you do not ask for a supplemental—let the record show that Mr. Brown said “no,” by shaking his head.

I will ask you. You can answer it on the record and get it down rather than shaking your head.

If we pass this bill, will you ask for a supplemental appropriation?

Mr. WILLIAMS. I seriously doubt the Department would ask for a supplemental appropriation.

Mr. POAGE. If you do not ask for a supplemental appropriation, then will you take the money that you have already felt that you need for agricultural products, to develop recreational projects?

Mr. WILLIAMS. Mr. Chairman, the budget estimate that is now before the Congress for this watershed activity is projected on a certain number of watersheds that are anticipated to be authorized for operations to and including 1958 fiscal year.

Those projections have been made on a type of program which does not include Federal expenditure for recreation, fish and wildlife.

So to the extent that there were additional increments for other purposes added, it would either reduce the amount of funds available for the other purposes or require an additional amount of funds beyond those purposes.

Mr. POAGE. That is what I was afraid of. It would make me feel better about this bill if you would ask for supplemental appropriations to pay the bill. You certainly have no fat in your request for flood prevention projects, have you?

Mr. WILLIAMS. That is correct.

In view of the fact that the executive branch has not taken a position on this particular legislation, from the standpoint of legislative authority, I simply do not know whether or not there would be a request made for a supplemental.

But we would be faced with that kind of a problem.

Mr. POAGE. In all fairness, if you recommend the bill, shouldn't you in all fairness ask for money to pay the bill rather than to start these projects?

Mr. WILLIAMS. I suspect that if the report on the bill by the executive branch, including the Bureau of the Budget were favorable, that that sort of anticipation would be present.

Mr. POAGE. Well, I think you can understand while I am very friendly to the recreation projects, I do not think that we should propose something here that will reduce the amount of money that is available to carry on this program.

Mr. BROWN. Mr. Chairman, I believe there is one aspect that should be fully understood, that the amendment as enacted last session, Public Law 1018, provides now the full authority for fish and wildlife and recreation as well as municipal water supply and any other phases of water management.

Mr. POAGE. I know it does. But it provides, Mr. Brown, that the city or the communities that want those features in their program, will pay the cost of it.

Mr. BROWN. It provides cost sharing for structural measures into three categories.

For flood prevention the Federal Government pays all of the cost.

For nonagricultural purposes the Federal Government pays none of the costs at present which includes municipal supplies, and so forth.

Mr. POAGE. That is right.

Mr. BROWN. For agricultural water management, mainly irrigation and drainage it pays on the basis of the proportion of benefits as described.

This amendment would simply take out of the category of non-agricultural purposes and put it up into the category of agricultural water management.

The Department would still have full control, of course, on the selection of projects—the administrative selection of projects, as between those that had different purposes dominant—would still be a matter of administrative control.

This amendment would not change the conditions under which the Department would give priority.

Mr. POAGE. I know that but if you make this amendment effective—if it does anything—if it does anything at all, it is going to increase the expenditure of the Federal Government.

Mr. BROWN. If the Department should choose to give assistance on and recommend for approval those projects which had substantial recreational interests in them, it would involve a higher cost to the Federal Government.

Mr. POAGE. And less money for the agricultural phases.

Mr. BROWN. That is right.

Mr. POAGE. Which means we would slow down the program. I haven't any objection at all to the recreational features. I think they are good. I think they are fine.

But I don't think you ought to come in here and reduce the already very meager sums that you have for agricultural purposes. And that is exactly what this will do, if you leave it as it stands, won't it?

Mr. WILLIAMS. It would be my opinion, Mr. Poage, that both the executive and the legislative appropriations branch of Congress would have to give serious consideration to the impact of this and the availability of funds, if that sort of legislation were passed.

Mr. POAGE. I know. But I don't want to pass a bill which says for us to reduce this activity which we all think is good, and then just hope that Mr. Whitten's committee will come along and give some additional money. In fact I would be afraid that the Department of Agriculture would come down and say, "Do not give it" because that is what I gather from your testimony, that we cannot increase the budget—the President has said so—and therefore, you cannot come down here and say to Mr. Whitten, "We are going to need some more money."

And the result is that when Mr. Whitten asks if you need some more money you will have to say, "Under the recommendations of the President's budget we cannot suggest that we need any additional funds."

And Mr. Whitten then is going to say, "Why, of course, I will not give you more money if you do not want it."

And the result will be that you are going to stop work on the agricultural aspects of some watershed project.

It either will do one of two things: The bill will be utterly meaningless because you will not approve any recreational projects or you will take the money out of agricultural projects.

Does it not simmer down to that?

Mr. WILLIAMS. Yes, it becomes a competitive basis for the use of available funds.

Mr. POAGE. That is all I have to say.

Are there any further questions?

Thank you gentlemen very much.

The committee will consider this bill in executive session later.

Mr. SIKES. I notice the time is running short but there are here representatives from the Florida Game and Fresh Water Fish Commission.

Mr. POAGE. I beg your pardon. Our time is running very short but we do not want to cut off any witnesses. Who would you like to call?

Suppose you take over and call your witnesses.

Mr. SIKES. Thank you very much, sir. It would be helpful if we hear from Mr. Earl Frye, Assistant Director of the Florida Game and Fresh Water Fish Commission.

STATEMENT OF EARL FRYE, ASSISTANT DIRECTOR, FLORIDA FISH AND WILDLIFE COMMISSION

Mr. FRYE. Gentleman, I am quite certain that there are at least a million fishermen in the State of Florida that find it difficult to understand why the Federal Government consistently ignores recreational values in these engineering projects. It is a situation that we cannot understand.

In Congressman Sikes' particular situation in Dead Lakes, it is an important watershed, water conservation area there.

While we have general interest in this amendment because of its widespread potential value for recreational projects throughout the State of Florida, I have some specific information which should help to show the importance of recreational activities in the case of the Dead Lakes watershed project referred to by Congressman Sikes.

In 1954-55 the Game and Fresh Water Fish Commission completed a survey based on interviews of fishermen, fish camp operators, and counts of fishermen using Dead Lakes. From this survey it was calculated that there was at that time an average of 39,946 man-days of fishing on Dead Lakes per year. We have no figures or cost per day of fishing for Dead Lakes itself, but such figures are available for other parts of the State which show an average cost of \$7.24 spent by a fisherman for a day of fishing. Combining the number of fishermen days with this average cost per day results in an estimate of \$289,209 per year spent by fishermen in the Dead Lakes Area.

We feel that this is a conservative evaluation of fishing in the Dead Lakes area for two particular reasons: At the time this survey was conducted, the Dead Lakes had already begun to suffer from the protracted drought we have had in northwest Florida and fishing conditions were not as good as could be expected with the optimum water level. Secondly, it is believed that the cost per day of fishermen would be higher on Dead Lakes than the \$7.24 figure used in these calculations because of the unusually high percentage of non-resident fishermen normally utilizing Dead Lakes.

We are, of course, not in position to accurately predict the economic value of fishing in Dead Lakes in the event the water levels were maintained at optimum conditions by the proposed dike. Nevertheless, there isn't the slightest doubt in our mind that with such optimum conditions and considering the increasing human population and demand for recreational facilities, the annual value of fishing in Dead Lakes would exceed one-half million dollars. In small counties, such as Gulf and Calhoun, an expenditure of one-half million dollars per year obviously has an important economic impact upon the community.

We need the water for watershed management program. And yet, under the present law, we are unable to recognize officially the major use of that water which is for recreation.

I am quite certain that the sportsmen of the entire nation feel that way about it.

Mr. POAGE. Let me ask you this, you can understand my concern about taking the money away from agricultural projects.

Mr. FRYE. Yes, sir, I do. But I do not think that it is quite that cut and dried.

I believe that if the official recognition were given to recreational projects that it would not necessarily deduct from the agricultural benefits.

In this particular case, for example, we need the project on the Dead Lakes out there. It has certain agricultural benefits. But the major benefit is to recreational facilities.

Mr. POAGE. And unless we can get more money—and let me make it plain now, I agree, I think that Mr. Sikes has a splendid idea, and

see no reason why the Federal Government should not recognize the value of recreational projects—I really do feel that. But it is important that we ought to recognize this is the Committee on Agriculture. Our primary business is to look after agriculture.

I think you will recognize that if we did not do that we ought not to be sitting here. We haven't got any more money than we need. In fact, Dr. Williams, we have got at the present time 84 projects pending in my State and you are approving 13 of them, is that about right?

Mr. BROWN. There are about 110 projects.

Mr. POAGE. It has gone up then. The number has gone right up and doing so every day.

Mr. SIKES. It appears to me that this may not be quite as serious a problem as you may fear.

I think you are right in bringing up this question. I certainly agree with you that there isn't money enough now for the things that are under consideration which should be done.

But the inclusion of projects for additional purposes is something that would take time. Screening and approval are lengthy processes.

It is doubtful that those projects could be included in the budget that is now before us, for fiscal 1958, even if this amendment were approved immediately.

We are seeking a change in permanent law which will be helpful in the future. Funds for the new projects would very probably have to be included in the next budget.

Mr. POAGE. I do not want to interrupt your statement. Maybe we can clear this up right now. As I understand it, if we were to pass this today, if it were to become law today, would it not then make it possible for the Soil Conservation Service to pay a portion of the recreational costs on projects that have already been approved as agricultural projects where the local people are paying all of the recreational costs now.

Mr. WILLIAMS. Certainly, any projects that are in the planning stage with recreational aspects would be needed to be taken into account. And if there were Federal funds involved in those, why, certainly, it would have the impact that you suggest.

The ones that are already approved for operation in which there has been a definite agreement for a specific program already cleared through the various departments, the only thing to be done there would be to reopen it for further consideration. And that might or might not result.

Mr. POAGE. Do you not think, as a practical matter, we would have to reopen those projects? And do you not think common justice would require it?

You do not have any recreational features in the Brushy Creek project. But let us assume that we had a provision to spend a quarter of a million dollars there for recreation, all of which we would have had to have agreed to pay ourselves, wouldn't we, under the existing law?

Mr. BROWN. That is right.

Mr. POAGE. If you then begin to say to those people who have not yet filed their projects, "We are going to pay half, a third, or two-thirds, of your recreational costs," would the Brushy Creek people not be justified in coming to you and saying, "You have established a

new policy. You ought to make it applicable to us the same as anybody else."

I think you, as a fair man, would pay them; wouldn't you?

Mr. WILLIAMS. I expect that would be the end result.

Mr. SIKES. That would not necessarily mean that it would take precedence over earmarked funds for the present program. I think this would be very unlikely.

Mr. POAGE. They have already begun to build the Brushy Creek project.

Mr. SIKES. The recreational benefits would then subsequently be considered as obligations against the Federal Government, but would not be expected to take precedence over earmarked funds in the present budget.

Mr. POAGE. If I had the assurance that if we were to pass this bill that there would not be diminution of the moneys available for the existing program—that is all I would want. That is all I want.

Mr. SIKES. Clearly, Mr. Chairman, the Department has brought to the Appropriations Committee an estimate of the money they will need for fiscal 1958. They have in substance earmarked certain funds for approved projects which they will justify. It would appear to me that none of the projects we are talking about now could take precedence over or take away from those earmarked for anticipated expenditures in fiscal year 1958.

Mr. POAGE. I understand that would be reasonable. Neither you nor any people who are proposing this bill today then will ask for any of that money until the next fiscal year?

Mr. SIKES. I will not ask to take precedence over any projects already earmarked for funds in the current budget. I would hope that we could undertake planning for inclusion in future budgets.

Mr. POAGE. I asked, can we have the assurance that nobody will ask that the Soil Conservation Service use any of the money that has actually been earmarked prior to 1958? That you will not ask that any of the presently budgeted funds be used to pay for any of these recreational projects?

Mr. SIKES. I will go along with that if we can proceed with planning for future budgets.

Mr. POAGE. Anybody in here who feels any reluctance to being bound by such a commitment as that?

What do you think about it?

Mr. FRYE. May I make one comment?

I think the importance of this bill as Mr. Sikes has passed out this overall long-range effect—the importance is in the establishing of a policy, not in the program.

Mr. POAGE. So far as I am personally concerned, I am willing to go along with you on long-range programs, but I want to know that it is not going to take money away from my farmers next year.

Do I have your assurance of that?

Mr. FRYE. As far as I am concerned, you do. But that has no official standing.

Mr. POAGE. Wouldn't you gentlemen agree to put just a little addition to this bill and say that no allocation of funds shall be made prior to July 1, 1958?

Mr. SIKES. I would not object to that.

Mr. POAGE. I think we are getting somewhere.

You may proceed.

Mr. FRYE. Thank you. That is all.

Mr. POAGE. We wanted to hear you out.

Mr. FRYE. This is Congressman Sikes' bill and all of the sportsmen highly endorse it. I am quite sure all of the people in Florida will endorse it.

They would not object to such a provision as that.

What we want to do is to get it established as a recognized official function of the act.

Mr. SIKES. Mr. Chairman, I have one additional witness, Mr. McBroom, of the Fish and Wildlife Service.

STATEMENT OF JAMES T. McBROOM, FISH AND WILDLIFE SERVICE

Mr. McBROOM. Mr. Chairman, I am James T. McBroom of the United States Fish and Wildlife Service, Department of the Interior.

Our branch of River Basin Studies considers the impact of water-resource projects on fish and wildlife resources throughout the country; that is, water resources projects such as those built by the Corps of Engineers, or the Bureau of Reclamation, or licensees of the Federal Power Commission.

We have this branch set up to study these things, to develop estimates of benefits, and to recommend whether or not projects and their recreational and fish and wildlife benefits have national significance.

The measure of the Federal cost sharing is usually based on our recommendations.

I will say that the small watershed project program is one of the most beneficial that we know of to fish and wildlife resources.

Under a memorandum of understanding with the Department of Agriculture, we have investigated most of the small watershed projects that have been approved for planning and find only 5 percent to be deleterious to fish and wildlife resources.

We have found that the farmers of this country are the most avid hunters and fishermen.

In an economic survey made last year we determined that 1 out of every 3 households in the United States has 1 person in it who hunted or fished in 1955. In the case of the rural areas, that proportion is 1 out of 2; every other rural house has a hunter or fisherman.

So farmers are very much interested in getting better fishing and hunting in their areas.

Mr. Chairman, we know that many farmers have thought of fishing and hunting benefits as among the most valuable benefits they can get from the small watershed program. They are looking for better hunting and fishing.

Many of them are holding back on local participation until they can get hunting and fishing benefits.

I should emphasize that I am not necessarily reflecting the views of the United States Fish and Wildlife Service or the Department of the Interior, since they have not filed a report here. But it is my personal view that this bill, H. R. 5497, would be a great boon to the watershed program as a whole, including that specifically for the benefit of the farmer.

That is the 2-minute statement to which you, Mr. Chairman, requested I limit myself.

Mr. POAGE. Thank you very much, Mr. McBroom.

The committee will have to recess. I do want to state for the record that the files of this committee show a copy of Mr. Sikes' bill was sent to the Department on March 1. It was introduced on February 28. This committee sent it to the Department.

The committee has to recess for the moment. I am going to recess until 3 o'clock this afternoon when we will hear the rest of the bills.

Mr. SIKES. I wonder if it would be possible for Congressman Herlong and Mr. McBroom to file additional statements for the record?

Mr. POAGE. It will be. Without objection, both Congressman Herlong and Mr. McBroom will be permitted to do so.

(The statements are as follows:)

STATEMENT OF HON. A. SYDNEY HERLONG, JR., A REPRESENTATIVE IN CONGRESS
FROM THE STATE OF FLORIDA

Mr. Chairman, I appreciate this opportunity to present my statement in behalf of H. R. 5497, Mr. Sikes' bill to amend the Watershed Protection and Flood Prevention Act.

It is of extreme importance to us in Florida that recreational and fish and wildlife development be included as one of the qualifying criteria for eligibility under the existing law. We in the State of Florida particularly have a higher proportion of people who make their living off other people's recreation than any other State in the United States. So it can truly be said that recreation in Florida is a business. The man who visits our State from another State may consider that he is enjoying a recreational pursuit but, believe you me, it is bread and butter to the man who sells him his boat, equipment, shotgun shells, and other sporting paraphernalia. It is just as important that people who are engaged in these businesses have their occupations recognized by the Federal Government as it is for them to recognize someone who hauls a sack of potatoes over a waterway.

In my section of Florida we are doing a splendid job of self-help in this field of protecting and conserving our water. We feel that we are doing such a fine job ourselves, but there is so much more to be done, that we think the Federal Government could well have a part in this program. As you know, in my area the local government does the entire job. The Presidential Advisory Committee report on water resources policy has recommended that the Federal Government assume a part of the cost of projects where the local people are doing their part and where the projects represent substantial contributions to the general economic growth of the region. I assure you, Mr. Chairman, that the economic growth of the region that it is my privilege to represent is irrevocably tied in with recreation. Everyone else recognizes this. The Federal Government should also. I, therefore, respectfully urge this committee to take prompt and favorable action on this very constructive legislation proposed by my able and distinguished colleague from Florida, Mr. Sikes.

STATEMENT OF JAMES T. MCBROOM, UNITED STATES FISH AND WILDLIFE SERVICE

Mr. Chairman, I am James T. McBroom of the United States Fish and Wildlife Service, Department of the Interior. I am Chief of the Branch of River Basin Studies in the Bureau of Sport Fisheries and Wildlife of that Service.

Our Branch of River Basin Studies considers the impact of water resource projects on fish and wildlife resources throughout the country. Our studies include water-use projects of the Corps of Engineers, Bureau of Reclamation, and licensees of the Federal Power Commission. These studies are conducted under the authority of the amended Coordination Act of August 14, 1946 (60 Stat. 1080) which provides for investigations of the effects on fish and wildlife resources of project plans for water resource development by Federal agencies, or by private agencies under Federal license. The purpose of these investigations, among others, is to develop means and measures which should be incorporated in project plans to minimize the adverse effects of these projects on fish and wildlife resources and to maximize the beneficial effects. Our surveys are

made in cooperation with the appropriate State fish and game agencies which have general jurisdiction over resident fish and wildlife resources.

We also investigate, for the same purposes, the small watershed projects planned by the Department of Agriculture in accordance with the amended Watershed Protection and Flood Prevention Act. These investigations are carried out in accordance with a memorandum of understanding dated May 12, 1955, between the Soil Conservation Service and the Fish and Wildlife Service. A copy of that memorandum of understanding is attached hereto and forms a part of this statement.

Our studies of Corps of Engineers and Bureau of Reclamation projects customarily determine the benefits and losses associated with each project. These determinations by the Fish and Wildlife Service are used by these agencies in their project cost-benefit ratios. Project costs for fish and wildlife conservation measures which are included in project plans are justified on the basis of evaluations by the Fish and Wildlife Service. The cost sharing of the Federal Government of these projects on account of fish and wildlife benefits is thus based on evaluations of the Fish and Wildlife Service. This is an established procedure which we expect will be continued. This procedure—that is, the determination by the Fish and Wildlife Service of the effects on fish and wildlife resources of these projects and the evaluation of benefits and losses to these resources by the Fish and Wildlife Service—is also contemplated for small watershed projects under the terms of the memorandum of understanding, dated May 12, 1955, referred to above.

The small watershed program is one of the most beneficial programs for fish and wildlife with which we have to deal. To date, under our memorandum of understanding with the Soil Conservation Service, we have studied and reported on 119 small watershed projects which are approved for planning by the Department of Agriculture. This includes most of the 238 projects so approved on which plans are sufficiently advanced to make a fish and wildlife reconnaissance study feasible. In only 6 cases, or less than 5 percent of projects studied, have the adverse effects on fish and wildlife resources been sufficiently serious to merit detailed studies to develop mitigation measures. Practically speaking, therefore, 95 percent of the small watershed projects have been beneficial to fish and wildlife.

You may recall that when the small watershed projects bill was being considered by the 83d Congress, it received firm support and endorsement by the various wildlife conservation agencies and interests. Wildlife people know that good soil and water conservation is vital to the welfare of fish and wildlife resources. They know that fish and wildlife are as much a product of the land as any other crop. It follows, then, that the 95 percent of small watershed projects found to be beneficial to fish and wildlife represent substantial public benefits to the population at large, as well as to individual farmers in the watersheds. I can see no reason why the small watershed program should not take credit for these public benefits. Presumably this is what Mr. Sikes had in mind in proposing H. R. 5497.

Federal participation in defraying the cost of fish and wildlife benefits associated with water-use projects has firm precedent. Under section 2 of the amended Coordination Act, all costs of Federal reclamation projects, allocated to preservation and propagation of fish and wildlife are nonreimbursable; that is, they are borne entirely by the Federal Government. The same applies to locally sponsored projects under the Small Reclamation Projects Act of 1956 (Public Law 984, 84th Cong.).

It is my understanding that a number of small watershed projects have been unable to meet the established standards for positive cost-benefit ratios on the basis of agricultural and flood control benefits alone. Therefore it seems to me that H. R. 5497 would assist in qualifying many desirable projects by facilitating use of the very genuine fish and wildlife benefits to shore up the benefit side of cost-benefit ratios.

Of course this would have to work both ways. In addition to helping justify projects, the consideration of fish and wildlife losses probably would make some small percentage of projects infeasible that would otherwise qualify on the basis of agricultural and flood control benefits.

Also, in all equity, if the general taxpayer is to support cost sharing of project developments for fish and wildlife and recreational purposes, he should be entitled to free public access to project lands and waters for hunting and fishing.

I believe there is ample justification for recognizing fish and wildlife improvement measures as practices eligible for Federal cost sharing in the development of small watershed projects. Last year, at the request of the State fish and game departments, the Fish and Wildlife Service undertook a survey of how many people

in the Nation hunt and fish, and how much they spend in pursuit of these sports. The survey showed that 25 million Americans 12 years of age or over, hunted or fished or both in calendar year 1955. This is 1 out of every 5 Americans in that age group. They spent almost \$3 billion, conservatively estimated, in pursuit of their sports. This is about equal to the amount all the households in the United States spent for electricity in that same year.

Fish and wildlife, by any standards, qualify as a big business. The most important values of fish and wildlife resources, however, are those which cannot be measured in dollar terms—rather, these main values are in the contribution of these resources to the health and well-being of our citizens.

On the average, 1 out of every 3 households in the Nation has a hunter or a fisherman. In rural areas, 1 out of every 2 households has one or more hunters or fishermen. Farmers and other rural residents, therefore, are the most avid in their demands for hunting and fishing opportunities. They are looking for better hunting and fishing. We understand that some farmers are holding back on local participation in the small watershed program until they can be assured hunting and fishing benefits.

In some respects, therefore, the fish and wildlife and recreational benefits may well be one of the most important phases of the small watershed program. The potential for such purposes is great, and I trust that in the future the program will lend itself to a modification of projects plans to provide maximum (fish and wildlife) benefits. I believe this to be justifiable even at some slight reduction in the emphasis currently accorded flood control and agricultural benefits.

In conclusion, I emphasize that the views I have here expressed are personal. They are not necessarily the views of the United States Fish and Wildlife Service, or the Department of the Interior, whose views normally are expressed in legislative reports of the Secretary. The Department has not filed such a report on H. R. 5497.

It is my personal view that H. R. 5497 is a good bill, not only for farmers, but for the public in general, including all those present and future citizens who will want a place to hunt and fish.

MEMORANDUM OF UNDERSTANDING BETWEEN FISH AND WILDLIFE SERVICE,
DEPARTMENT OF THE INTERIOR, AND SOIL CONSERVATION SERVICE, DEPARTMENT
OF AGRICULTURE

This memorandum is entered into for the purpose of encouraging the coordination and integration of fish and wildlife conservation with works of improvement carried out pursuant to provisions of the Watershed Protection and Flood Prevention Act of August 4, 1954 (Public Law 566, 83d Cong., 2d sess.), and to that end will provide guidance to all personnel in the Fish and Wildlife Service and the Soil Conservation Service.

GENERAL CONSIDERATIONS

1. The watershed protection and flood prevention projects may have a significant effect on fish and wildlife resources in some watersheds. Therefore, it is agreed that the Fish and Wildlife Service and the State fish and game agencies may make such recommendations for fish and wildlife conservation as they deem practical during the planning stage of projects under Public Law 566.

2. Local organizations, as defined in Public Law 566, may desire to incorporate measures for enhancement of fish and wildlife in watershed work plans based upon recommendations of State and Federal agencies, but no part of the cost of such enhancement measures will be paid for from appropriations made under authority of Public Law 566.

3. Costs of measures for mitigation of any damages to fish and wildlife resources resulting from the proposed works of improvement under Public Law 566 will be considered by the Soil Conservation Service as proper costs of the projects and such measures as are determined to be appropriate by the Soil Conservation Service shall be incorporated in the watershed work plan.

Tangible benefits or losses to such resources shall be appropriately credited or charged to the projects and intangible benefits and losses may be cited.

Watershed work plans should represent the program of local people. The Soil Conservation Service will participate in carrying out only those elements of the project, however, that are in accordance with the provisions of Public Law 566 and that it considers to be in keeping with the policies of the Department of Agriculture.

PROCEDURES

4. The Fish and Wildlife Service may make a reconnaissance study of proposed or approved watershed projects to determine (1) the probable effects of the project on fish and wildlife resources, and (2) whether detailed studies of the watershed area and project plans are needed properly to integrate measures for conservation of fish and wildlife into watershed work plans. These reconnaissance studies shall be financed from funds regularly appropriated to the Fish and Wildlife Service for river basin studies.

5. In the event detailed studies by the Fish and Wildlife Service of certain projects are recommended and both the need for and the estimated cost of making such studies have the concurrence of the Soil Conservation Service, the cost of such detailed studies will be financed by transfer of funds from the Soil Conservation Service.

6. Following the transfer of funds for these studies, the Fish and Wildlife Service shall proceed promptly to undertake them, in close consultation with the appropriate State fish and game agencies, the local offices of the Soil Conservation Service, and the representatives of the local organization. The Fish and Wildlife Service will keep in mind at all times the objectives of the local organization in the development of a watershed project.

7. The recommendations developed by these studies will be given full consideration by the Soil Conservation Service and will be presented for the consideration of the local organization in developing the watershed work plan.

8. This memorandum of understanding will be implemented by periodic agreement for transfer of funds and arrangements for specific work.

JOHN I. FARLEY,
Director, Fish and Wildlife Service.

Date May 24, 1955.

GLADWIN YOUNG,
Acting Administrator, Soil Conservation Service.

Date May 12, 1955.

Mr. POAGE. Mr. Baker has a statement that he wanted to read. Did you want to come back at 3 o'clock?

Mr. JOHN A. BAKER (National Farmers Union). Just include it in the record as though read. That will suit me all right.

I do not have to read it.

Mr. POAGE. We will read your statement at 3 o'clock this afternoon then. We have the statement.

Mr. BAKER. Thank you very much.

Mr. POAGE. We will now recess until 3 o'clock.

(Whereupon, at 12:20 p. m., the committee recessed, to reconvene at 3 p. m., this day.)

AFTERNOON SESSION

Mr. POAGE. The committee will come to order, please.

I believe that we were on H. R. 3861, H. R. 3988, H. R. 4253, and also H. R. 4958. I believe they are all identical bills.

Mr. McIntire introduced H. R. 3988. Mr. McIntire, I wonder if you would like to explain that bill.

Mr. McINTIRE. Well, Mr. Chairman, H. R. 3861, your bill, H. R. 3988, introduced by myself, H. R. 4253 of Mr. Avery, and H. R. 4958 introduced by Mr. Weaver, I believe, are identical bills.

My interest in legislation of this kind flows from the fact that we seem to have been a little more restrictive in the 84th Congress than I felt we intended. You may recall that when we were working on the legislation which finally was enacted as Public Law 878 of the 84th Congress with amendments, that we discussed the matter of making sure when a loan was closed at 90 or 100 percent of value, that the borrower, the farmer, was in reasonably solvent position, at least that his debts did not exceed his assets.

So, language was withdrawn and that bill was amended in committee to make provision for some determination of that fact, that the assets and the liabilities were in balance at the time. However, the language that was in that legislation listed as the assets that were to be considered, the real estate, the livestock, and the machinery.

Frankly, for myself I was thinking in terms that we were dealing with real estate and personal property, but that is not the way the language was used when the administrative regulations went out relative to this legislation.

I feel particular interest in this, particularly in my own section because it was brought to my attention, that in taking the financial statement of an applicant or in considering the liabilities and the assets, that it was not permissible to include as an asset a crop which was growing, which crop, perhaps, caused the current borrowing, to finance that crop; and by the same token that that crop being held for marketing, that crop in storage should not be considered as assets for borrowing purposes.

Well, certainly, that was a more restrictive interpretation of this part of Public Law 878 than what was intended in our discussions relative to the amendment which was adopted in committee.

So, this bill, or these bills, because, they are all the same, were introduced to correct that situation.

Mr. POAGE. Mr. McIntire, you made a good statement. I wonder if the members of the Farmers' Home Administration have any statement they care to make.

STATEMENT OF KERMIT HANSEN, ADMINISTRATOR, FARMERS' HOME ADMINISTRATION; ACCOMPANIED BY HOWARD V. CAMPBELL, OFFICE OF THE GENERAL COUNSEL; CHARLES C. BARNARD, DIRECTOR OF BUDGET AND STATISTICS DIVISION; AND DALE SMITH, ASSISTANT ADMINISTRATOR, FARMERS' HOME ADMINISTRATION

Mr. HANSEN. Actually, we have no statement to make, Mr. Chairman, on that aspect, unless there are some questions.

Mr. POAGE. You have given a report on the legislation?

Mr. HANSEN. Yes, sir.

Mr. POAGE. That report is a favorable report, I understand.

Mr. HANSEN. There is a favorable report on this bill. That was submitted this morning, I believe, a little bit late because we had a little difficulty getting it mimeographed, but it is here.

Mr. POAGE. That is all right. We will include it in our record.

(The report referred to is as follows:)

DEPARTMENT OF AGRICULTURE,
Washington, D. C., February 21, 1957.

HON. HAROLD D. COOLEY,
Chairman, Committee on Agriculture,
House of Representatives.

DEAR CONGRESSMAN COOLEY: This is in reply to your request of February 5 for a report on H. R. 3861, a bill to amend the Bankhead-Jones Farm Tenant Act, as amended, to provide more flexibility in refinancing loans, and for other purposes. This bill would amend section 17 of the Bankhead-Jones Farm Tenant Act to permit, in connection with determining an applicant's eligibility for a loan under this section, consideration of the value of his real estate and of the

personal property he owns which the Secretary of Agriculture determines has security value.

This Department recommends enactment of H. R. 3861.

The present language of section 17 permits the consideration of only the applicant's real estate, livestock, and farm equipment and machinery as assets and prohibits the inclusion of crops in storage and other types of personal property. The proposed amendments would permit the consideration of assets such as growing and harvested crops, farm supplies, and cash and securities in addition to the value of real estate, livestock, and farm machinery and equipment in determining whether an applicant is eligible for a loan primarily for refinancing. Enactment of this bill would result in the determination of applicants' eligibility for loans under section 17 being determined on a more uniform and equitable basis, irrespective of the type of farming in which they are engaged or the part of the crop year during which their applications are being considered.

The enactment of this bill would not require any additional appropriation.

In view of the request that this report be submitted immediately, we have not obtained the advice of the Bureau of the Budget as to its relationship to the program of the President.

Sincerely yours,

TRUE D. MORSE, *Under Secretary.*

Mr. McINTIRE. Mr. Chairman, I would perhaps like to ask Mr. Hansen a question or two, just in order that we might have a record.

It is my understanding that this language will permit in the setting up of a financial statement the inclusion of the assets of the farmer, whether it is growing crops or crops held for marketing or storage or such other as is considered an asset of the farmer in the farm operation?

Mr. HANSEN. That is right, sir. Heretofore, we were only considering real estate, the livestock and machinery and other securities such as crops and cash on hand and so forth were not considered in the liquidity of a man's statement or in the security he had to offer as far as our refinancing was concerned.

Mr. McINTIRE. What will be the policy of the Farmers' Home Administration in relation to off-farm assets and liabilities? Will those be set aside on this balancing of assets and liabilities required under this provision of the act, or what is your thought?

Mr. HANSEN. Would you state that again, please, sir, I did not quite catch it.

Mr. McINTIRE. Well, I am thinking in terms of a farmer perhaps owning other property which is not a part of his farm operations, and having liabilities against that. How would that be interpreted in relation to this provision of the act?

Mr. HANSEN. I believe that would be considered as part of his security. I would like to pass that on to Mr. Campbell here.

Mr. CAMPBELL. Mr. McIntire, the—

Mr. McINTIRE. I might say that the reason I am raising that question is that I hope by this legislation that we can cover our intent here in such a way that we are not leaving something undone.

Mr. CAMPBELL. Mr. McIntire, I believe a correct interpretation of the law, with this amendment, would not preclude considering the assets and would require some consideration of the indebtedness, even though that real estate or property and that indebtedness did not relate specifically to the farm which the Farmers' Home Administration was primarily concerned with.

The act as so amended would still read, "Determine the value of real estate," which is not limited to a particular farm but includes all real estate holdings. And it would read, "The reasonable value of the

applicant's personal property," and that would not be limited to his farm personal property.

So, I think that you would get an overall true net worth financial picture before you in determining his eligibility.

Of course, there are other provisions of the act which might influence an applicant's eligibility; whether the value of his nonfarm holdings, whether or not such holdings and such operations would make him ineligible because he would not be the operator of a family-sized farm, or if he found that his financial picture was such that he should be able to get credit elsewhere; but assuming that he met those other eligibility requirements, these nonfarm holdings and debts would not preclude him from receiving the benefits of section 17 refinancing.

Mr. HANSEN. Actually, Mr. Chairman, the amendment would lend additional security, and these other assets that had never been able to be considered previously could be now considered with respect to the liquidity of his financial statement and the overall security relating to this particular loan or refinancing.

Mr. POAGE. This will not, as I understand it, be used as a means of getting more security on the loans than now, but rather will enable you to make loans in a field where you cannot now make them?

Mr. HANSEN. That is correct, Mr. Chairman, that is the intent, that it would enable us to serve the people who actually had the liquidity as far as refinancing is concerned. These items that we mentioned could not be considered in determining solvency in the past.

It actually would not make any thinner loans, it would just enable us to consider resources at hand that we have not been able heretofore to consider.

Mr. POAGE. Mr. Hansen, I realize that perhaps this is not germane to the question before this subcommittee now, but since you are before us, and I know we can get authentic information from you, I would like to ask you, because we have had so many calls about farm credit, I want to ask you: Do you see any need for enlargement of your authority, any general enlargement of your lending authority?

Mr. HANSEN. Mr. Chairman, in my opinion, we have adequate authorities to serve where credit is the answer to the problem.

Now, grant that there are human limitations involved and many complexities in administering the statutes that you gentlemen give us, but I believe where credit is the solution to the farm family's problem, that we do have adequate authority at the moment.

Now, where the problem is other than credit, of course, and where the line of demarcation enters in, that is where our job becomes real complex because we can only analyze assets about so far and you can analyze human nature about so far. We have certain standards to follow and sometimes those standards are exploded. There is always someone whose situation looks impossible, but who nevertheless succeeds. But, I do believe, as I stated before, that where credit is the answer to the farm family's problem we do have adequate authority with a few minor exceptions, of which this is one that we are speaking of.

Mr. POAGE. Well, do you see any reason for any change in the interest rates? Are you suffering from limitations?

Mr. HANSEN. No, sir; not particularly. In another program, if you wish to refer to that, in our insured program, the situation is tight.

Mr. POAGE. Yes.

Mr. HANSEN. Frankly, with the money situation being as it is, we have experienced some difficulties. However, I do not believe that raising the interest in itself would be of any real benefit at this particular time.

I would like to ask Mr. Smith—I believe this is correct, though—that we have loaned more money through the insured loan than we have through the appropriated route this year—may I ask Mr. Smith, is that correct?

Mr. SMITH. That is correct, for this year.

Mr. HANSEN. Notwithstanding that we have had to work hard to get some of that insured money from private interests.

However, I do not believe a one-half of one percent raise in the interest rates would subsequently increase the amount of the funds that we could procure through private sources. The hardship that it would bring about on the types of borrowers we have I do not feel would justify any change in interest rates at this time, Mr. Chairman.

Mr. POAGE. Well, you know, we hear from so many people with all their problems and many of them, they are complaining about interest rates, and I do not know whether you can solve any of these problems by changing the rates or not, and I wondered if you could give us any comment.

For instance, there are some folks in the drought areas of my State, particularly those in the livestock business, who find themselves with more cash on hand than they ever had but they are not better off because a large part of those people or a substantial part of them have sold out their entire livestock herds. In my own county they face a rather unusual situation in that because of the fact that we had a worse situation droughtwise than we have ever known, they have been forced to sell their livestock and so they had more money than they had ever made before. But they cannot keep that money. The answer is simply that because they have sold their livestock and it is true that they have some more money, but they are now out of business and are going to have to find some credit before they can get back into business again. Having sold their entire livestock holdings, they do not have money enough to start all over again. So that while in the little bank that normally would have about \$1 million in deposits you will find \$1.5 million or even \$2 million on deposit—but now spring is coming on and many of those people, or I should say, most of them, are not going to be able to get back into the livestock business. They do not have enough money left if they have paid their debts. If they want to get into the livestock business they could not because they do not have livestock or they only have 20 percent of what they should have on the place and they obviously cannot make a living that way and in order to refinance the restocking of their enterprise in that part of the country with livestock, they simply do not have enough capital to do it.

I am sure that you are going to be called on to finance a good many of that type of loans, for these people to get back into business and if they cannot get livestock they cannot get back into business and obviously if they are not back in business then we have lost a valuable asset.

What do you think of the idea of trying to establish some system of loan guarantees? Rather than asking you to finance all of their

needs, which will probably run into more money than Secretary Humphrey will want to spend, what do you think about the idea of an insured loan program, of insuring bank loans—I would presume it would all be under your supervision—do you think there is any merit to it?

Mr. HANSEN. Well, frankly, we have been so snowed under with our immediate problems that we have been rather confused as to what comes next, Mr. Chairman.

I have personally tried to rationalize that approach and many others and I have had the privilege of meeting with others in the credit field, in the private and cooperative credit field and I have heard many suggestions advanced as possibilities.

And I believe I am correct in this statement, that somewhere, I cannot recall just where, but I know I have heard statements to the effect that real studies should be made as to various methods into meeting the credit needs as they arise in the particular situation you mention there.

Personally, at this time, Mr. Chairman, I would not be in position to venture an opinion.

Mr. POAGE. Well, we appreciate your statement as far as it goes.

Mr. MCINTIRE. I have heard some discussion and this is outside of the livestock area, but I have heard people expressing the opinion that in the case of the capital requirements to operate a farm, whether it be in livestock or in crop or in both, that there ought to be some type of arrangement whereby it could be insured and available to them.

As it is now, as long as they can get approval from the lenders on their security, they get their loans from 1 year to the next and I feel that many of them are faced with the problem or are searching, I think, in their minds for a new or different approach to their credit needs on a basis whereby they can say, "Well in effect I am entering into a contract whereby I know I can get this for a period of 3 or 4 years."

I realize that this is in violation of some of the basic credit analyses that usually have to be made, but those fellows are working on the assumption they are still there and the farms are still there and that they can demonstrate their ability. But this fact of running into a crop year places them in a position where they just do not know whether they are going to farm or not and I have heard some discussion that that type of situation ought to be incorporated into an insurance type of vehicle whereby a premium will be paid, as a practical device, each year, providing some type of vehicle that will give them what they need.

I know that in my country right now a farmer can get 70 to 75 percent of what the real estate is worth and he can just do that once. He cannot get the capital he needs so much more today as compared with years past; he cannot get it through the present securities that he is allowed to put up, and I think it is that kind of a thing that needs to be taken care of.

Mr. HANSEN. Yes, sir.

Mr. Congressman, I think that is quite right and I believe we will all agree that we have seen agriculture go through some real transitional pains, if I may call it that, where the investment today per family is greatly in excess of what it has ever been heretofore.

Perhaps our credit structures have not quite coped with the technological progress that has take place.

Along the line which I just spoke of a moment ago, Mr. Chairman, I do feel there is a real need for study into the financing structure and into the credit structure and financial needs of our agriculture throughout the country.

I think we could well employ some of the best thinking available to make a continuous study into that and perhaps—and I am purely speaking as a personal opinion—perhaps there has been as little study into the financing and credit structure of agriculture as in anything else.

We have made tremendous strides technologically and in fields of that nature, but financing has gone through a tremendous transition even in our time. We have seen it grow from a relatively small investment of a few hundred dollars into thousands of dollars of investment for an efficient operator today.

And I wonder if the financing and financial institutions and credit institutions have kept pace with the progress that has brought about the needs of today.

Mr. McINTIRE. Well, I think, Mr. Hansen, such a study ought to be made, from which we would get some ideas if we are willing to explore into another or new approach to this thing. I think the program will require some new approaches as will the present financial operations, because the capital requirements of the farm today are heavier than in American industry. We do not propose to put American industry in anywhere near the same situation as the current operations on the farm.

Mr. HANSEN. I believe there are perhaps some more or less private studies being made. I know that some of our agricultural colleges are making some financing studies.

I believe the American Bankers Association is making some studies. I know that Farm Credit and we are constantly attempting to find new methods and new ideas.

I believe there is a gentleman here representing the American Bankers Association today and with your indulgence I wonder if that gentlemen would care to tell us whether or not he knows of any such studies in the banking world.

Mr. POAGE. I would be delighted to hear from anybody in the American Bankers Association. We are getting a little far afield, but I think it may be profitable to explore this whole matter and in the end I think that it may save us some time.

Will you come forward, please?

STATEMENT OF CHARLES T. O'NEILL, JR., REPRESENTING AMERICAN BANKERS ASSOCIATION, WASHINGTON, D. C.

Mr. O'NEILL. Mr. Chairman, I do not believe I am in a position to testify at the present time on this.

The study he referred to, I believe, is being conducted by the agricultural department and I am not in that particular department. I am in the Washington office and I would rather for them to make a statement, I would prefer that any comments with reference to that come directly from the agricultural division rather than me.

Mr. POAGE. Do you think your agricultural division would be in position to come down here and give us some suggestions at some future time?

Mr. O'NEILL. Well, I feel that if the committee asks for it, they would certainly come down and testify before the committee.

Mr. POAGE. Well, I think that you can see what we are trying to do—we are not holding a hearing on that—we may go off the record at this time.

(Discussion off the record.)

Mr. POAGE. We will go back on the record now.

Do you have anything further?

Mr. HANSEN. No, Mr. Chairman.

Mr. POAGE. Mr. Campbell, I believe this morning we were discussing H. R. 3753 and it has been called to my attention that possibly we overlooked some things and I wonder if you are in a position to give us any idea whether there is any reason why we could not use that same legislation to implement our rural housing program, at least in some areas.

Mr. CAMPBELL. I cannot speak for the Department. The Department report for the bill under consideration did not go into this feature.

It occurred to me if the committee was going to give favorable consideration to the bill that it might further amend Public Law 361 to assist the Department of Agriculture and the Department of the Interior in working out their joint relations on public land and homesteads—where the Farmers' Home authority for the loan comes from title V of the Housing Act of 1949 instead of under title I of the Bankhead-Jones Act or the Water Facilities Act.

As now written, Public Law 361 applies only to loans made under the Bankhead-Jones Act and the Water Facilities Act. We are, however, making loans under title V of the Housing Act of 1949 in those same areas, but we have to service those in line with the Department of Interior's authority to deal with the entrymen or purchase contract holders and instead of the Secretary of Agriculture having the disposal authority, should the loan go sour, or should the entry be canceled, the Interior Secretary, the Bureau of Reclamation, will cancel the entry and then dispose of the property under Bureau of Reclamation laws.

It merely means that this agency has two different procedures to apply in the field under existing law.

Mr. McINTIRE. In other words, you are making housing loans to the desert entrymen?

Mr. CAMPBELL. To homestead entrymen and contract purchasers.

Mr. McINTIRE. But you can, if you pass this bill?

Mr. CAMPBELL. Correct.

Mr. McINTIRE. But in making them you are looking to the Department of the Interior for such loan?

Mr. CAMPBELL. That is right.

Mr. McINTIRE. The Department of the Interior has some basic law that allows them to cancel these entries and sell the property?

Mr. CAMPBELL. They dispose of it as they would any other entry on which there is a private mortgage lien. The Secretary of the Interior is merely directed to take into account the interest of third parties.

The mechanics of disposing of the property and liquidation of loans is different from the mechanics which are applicable to a Bankhead-Jones loan on an entry.

Mr. McINTIRE. The claim would be made directly to the Housing Act as well as the Water Facilities Act and Bankhead-Jones?

Mr. CAMPBELL. That is correct.

Mr. POAGE. If you would be kind enough, give us a suggested amendment that might do that and we might consider it in our executive session.

Mr. CAMPBELL. I would be glad to give it to the counsel of the committee.

Mr. POAGE. Yes. We would appreciate it if you will, we would like to have it available.

Now I think if no one else wants to be heard on these two bills, I would like to ask to insert in the record a paper from Congressman Phil Weaver of Nebraska, relating to these bills, H. R. 3861, 3988, 4253, and 4958, and without objection, it will be made a part of the record.

(The statement of Congressman Weaver is as follows:)

STATEMENT OF HON. PHIL WEAVER, A REPRESENTATIVE IN CONGRESS FROM THE
FIRST DISTRICT OF NEBRASKA

In support of H. R. 3861, H. R. 3988, H. R. 4253, and H. R. 4958 to amend the Bankhead-Jones Farm Tenant Act, as amended, to provide more flexibility in refinancing loans, and for other purposes.

Mr. Chairman and gentlemen of your subcommittee, may I express to you Mr. Chairman and to the members of your subcommittee my genuine thanks and appreciation for this opportunity to be heard and to express my views on this urgent matter.

The prompt and thoughtful attention by this subcommittee and your full committee to this problem may well amount to the financial survival or collapse of many of our farm people throughout this great country.

I am pleased to add my voice to those who speak in support of this legislation. Flexibility is necessary in any farm-credit program if we are going to restore our basic industry of agriculture to its rightful place in our overall economy. With extended drought and lower farm prices, we must remove unnecessary credit obstacles if the farmer is to survive. This suggested legislation will permit a farmer applying for a loan with the Farmers' Home Administration to present a financial picture that correctly reflects his total assets and total liabilities and not a one-sided picture that overlooks part of his true net worth.

These bills, identical in nature, will bring into reality an honest and fair interpretation of the language in the original act as it was intended. Restrictive interpretations will be removed without any question because they made it impossible for the act to accomplish and do what was only intended and hoped for when it first became law.

I am confident, Mr. Chairman, that you and the members of this subcommittee will meet the challenge before you in the consideration of this measure. I know that in your earnest and sincere desire to promote the cause of agriculture, upon which all America is so dependent, you will unanimously approve and favorably report out the legislation before you.

Mr. POAGE. I believe the next bill is the one introduced by Mr. McIntire, H. R. 4404.

Mr. McIntire, if you will, give us a statement on that.

STATEMENT OF HON. CLIFFORD G. MCINTIRE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MAINE

Mr. McINTIRE. Mr. Chairman, this bill, to state it briefly, would be to change the requirement or regulation under which the national bank operates in relation to the instruments of indebtedness or the

notes which they hold under the Bankhead-Jones Farm Tenant Act, permitting the national bank to carry those as investments instead of holding them in their financial statement as loans.

It is my thought in introducing this legislation that this would facilitate the bank accepting this paper. It might, perhaps to some degree, meet the situation that currently exists in relation to interest rates, in that you may find a situation prevailing where the banks could not see their way clear to purchase some of this paper as a loan at the prevailing interest rate, but could see their way clear to purchase it as an investment.

Now, in looking over the existing banking legislation, it was noted that under the law the national bank can classify, as instructed by law, the debentures of the Federal Farm Loan Act, the Federal Home Loan Act, and the Home Loan Corporation, Federal Housing Administration, as investments; that the bank's purchasing of paper in relation to the activities of those agencies is classified as an investment. And it is the purpose of this bill to amend the National Banking Act to designate that these instruments of the Bankhead-Jones Act, that is, these insured loans, be classified as investments.

Now, this bill is rather brief, but it has much broader impact than would appear. I have been analyzing this with the Farmers' Home Administration and I have also heard from banks in my home area.

I wonder whether Mr. Smith of the Farmers' Home Administration, Mr. Hansen, want to make some comment. I do want to say this, Mr. Chairman, that there are certain areas in relation to this bill which probably should be covered in the future through further conferences with the other departments of the Government, such as Treasury, Justice, and the like, before we actually report this bill out.

I do appreciate your bringing it up. I have the firm feeling that it is a constructive piece of legislation and would be of assistance to the Farmers' Home Administration in relation to having greater access to money.

But I do want to say that I think probably the action of our committee should be delayed or deferred until we can iron out some features of the bill through additional conferences with other agencies of the Government. We hoped that Mr. Hansen and Mr. Smith might have some additional comment.

Mr. PoAGE. Would you want to comment?

Mr. HANSEN. Mr. Chairman, since Mr. Smith has been working directly with this subject, I would like to ask that he present his ideas.

Mr. PoAGE. We are very glad to hear you, Mr. Smith. There is no report?

Mr. SMITH. That is right; there is no report and of course anything I have to say has not been cleared first, but I hope we will very shortly have a firm report.

Mr. PoAGE. I think we might defer—of course, the committee will not take immediate action on it, but I did want to hear Mr. McIntire's statement on it.

Mr. SMITH. And he has presented it very, very well, and it is something that we feel will do a lot of good.

Mr. PoAGE. You do not have any further statement?

Mr. SMITH. No, sir.

Mr. McINTIRE. Might I say, Mr. Smith, it is my understanding that in handling this paper the loan made through Bankhead-Jones,

a mortgage was drawn as a loan on real estate, the mortgage was drawn——

Mr. SMITH. Yes, sir; to the Government as mortgagee.

Mr. McINTIRE. And notes in connection with that are drawn to the lender, that is the party who is putting up the money?

Mr. SMITH. That is right.

Mr. McINTIRE. But all of the servicing in relation to this loan is handled by the Farmers' Home Administration, all collections are made directly to the Farmers' Home Administration?

Mr. SMITH. Yes, sir.

Mr. McINTIRE. And the bank does not in any way attempt to service this loan. The bank is required under the contractual agreement to hold for 5 years and then the loan can be transferred back to the Government at full compensation for the outstanding items.

Now, am I correct that actually as far as the banking interests are concerned in the country they look upon that paper, while perhaps not in a technical sense, in a practical sense, as being a Government loan, but they look at it as fully and adequately protected as far as their investment is concerned, as they would a Government loan?

Mr. SMITH. That is right, and the question of marketability is one question raised, because of the 5-year period. There has been no secondary market to speak of, as there is with bonds. However, I feel it is considered pretty much the same type of investment across the country.

Mr. McINTIRE. Now, in relation to the groups that are cooperative with the Farmers' Home Administration, those will include insurance companies or pension funds, or trust funds, and things of that sort. How do they classify these notes in their classifications?

Mr. SMITH. Recently, I have had one insurance company that gave me their report and they have been classified immediately after United States Government securities. They have Government bonds all listed, and the average rate of return on all of them, and then the next classification is our loans, and then following are public utilities and various others, and so they consider these as investments. Verbally they told me they consider them in the same light as Government bonds.

Mr. McINTIRE. It is my thought, I might say, Mr. Chairman, that this type of a provision would be something of an incentive, perhaps, for banks, within a territory where money is needed, to be a little more active in this field, and while this might not change the situation in relation to big investors like the big city banks, it would be very helpful in providing a better vehicle for thousands of other banks who take relatively small amounts of insured loans. By the same token they would be serving farm folks in their normal trading area and continuing a service that they very much like to perform.

Mr. POAGE. I would like to ask Mr. Hansen if it is not true that actually most of these insured loans and most of the money for the insured loans is being put up by rather substantial investors rather than by small investors at the present time.

Mr. SMITH. I can answer that in this way. A year ago the larger investors were more interested and were putting up considerable amounts of money. However, this last year it has turned somewhat and we have made an effort to secure the participation of all of the types of lenders, especially the country banks. The banks are in the

area where the loans are originating and we are obtaining a lot of that participation. We honestly feel that is the avenue we want to pursue, because those farmers and those farms will always be around that local institution, and it is those people that will in the future be in position to take our borrowers when we graduate them to other credit. Of course, the reason they are coming to us in the first place is that they cannot obtain credit elsewhere. We are a supplemental credit agency.

Mr. POAGE. Is there any way whereby a PCA can buy these loans?

Mr. SMITH. Yes; there have been some, but I do not know what funds they are using.

Mr. McINTIRE. You mean the PCA buys your note and, perhaps, discounts it?

Mr. POAGE. Some of the PCA's have a little money of their own—that is true; isn't it?

Mr. SMITH. Some of them have money of their own, I think, and they are investing in our insured loans.

Mr. POAGE. They can buy these loans with that money if they wanted to?

Mr. SMITH. As an investment of their surplus funds; I think we should be specific in that.

Mr. POAGE. I never supposed they would do it, but I suppose if they can buy a loan of a man who expected to graduate into a harder type of credit, it might be well to buy his loans with the guaranty, and at a later date they might carry more.

Any further questions on this bill? If not, before we adjourn I want to read this brief statement which was handed to us this morning from Mr. John A. Baker:

Mr. Chairman and members of the committee, this statement will be brief.

We favor enactment of H. R. 1045, eliminating from the ACP legislative language the never-used provisions for a State-by-State approach to this nationwide problem.

We have long favored enactment of new legislation to extend Farmer's Home Administration loans to desert-land entrymen on the same basis as they are extended to regular homestead entrymen.

As members of the committee will recall, I strongly urged last year that the provisions of H. R. 3861, H. R. 3988, and H. R. 4253 be included in the family farm-credit bill that was enacted last year. We still favor amending the language relating to farm-ownership loans so that purchases from the proceeds of such loans need not be limited to farms smaller than the census average in the county.

I have not had an opportunity to appraise the implications of H. R. 4404. However, I know Congressman McIntire to be well versed in credit matters, and as a member of the Family Farm Subcommittee last year to have a warm place in his heart for low income farm people. I would, therefore, be willing to support a technical amendment of this type proposed by the gentleman.

I know of no objections to enactment of H. R. 4306 to make development of recreational facilities an integral part of small watersheds development.

We appreciate your inviting us to give you our views respecting these important bills.

I also have a letter from the National Grange relating to H. R. 3861 which they approve, and, without objection, we will make that a part of the record.

I have 3 letters from the American Farm Bureau Federation relating to these matters which are before us and, without objection, I will make all 3 part of the record.

(The letters referred to are as follows:)

NATIONAL GRANGE,
Washington, D. C., March 4, 1957.

The Honorable W. R. POAGE,
*Chairman, Subcommittee on Conservation and Credit,
House Agriculture Committee, New House Office Building,
Washington, D. C.*

DEAR CONGRESSMAN POAGE: The National Grange is entirely in accord with the provisions of H. R. 3861, which permits an applicant for a Farmers' Home Administration loan to show all of his personal property, including stored agricultural commodities, as collateral for that loan.

We urge your subcommittee, the full House Committee on Agriculture, and the Congress itself to approve the measure.

Respectfully yours,

HERSCHEL D. NEWSOM, *Master.*

AMERICAN FARM BUREAU FEDERATION,
Washington, D. C., March 4, 1957.

HON. W. R. POAGE,
*Chairman, Conservation and Credit Subcommittee,
House Agriculture Committee,
United States House of Representatives, Washington, D. C.*

DEAR CONGRESSMAN POAGE: We understand that you will give consideration on Tuesday, March 5, in your subcommittee to H. R. 1045, to amend the Soil Conservation and Domestic Allotment Act, as amended and the Agricultural Adjustment Act of 1938, as amended.

As we understand the provisions of this bill, it would accomplish two major things: (1) It would repeal the current provision of law which authorizes the Secretary of Agriculture, where States have submitted a satisfactory plan, to turn over as a responsibility of the States the programing and administration of the agricultural conservation payments program; (2) it would make permanent the ACP program, whereas currently it requires congressional authorization each 2 years.

With regard to the first point above, we must admit that the States have been very slow in accepting their responsibility under this provision of law, however, according to our latest information, there are some 25 States who have State enabling legislation, making it possible for them to fulfill this responsibility. The State of Mississippi has taken leadership with regard to this matter. We have inquired and found that Mississippi is again renewing its efforts in this regard.

We would recommend, therefore, that this provision of law be maintained for the time being in order to give States a continuing opportunity to develop State plans and take over this program.

With regard to point 2 above, with the soil-bank program in operation and with the very difficult situations that have been created by the prolonged droughts in certain areas, we believe it wise for Congress to review the agricultural conservations payments provision of law each 2 years, even though we would anticipate that it would be more or less continuously extended each 2-year period.

We would, therefore, recommend to the subcommittee that they consider very carefully the implications of H. R. 1045 and that action on this bill be delayed in order to give interested groups more opportunity to study the effect of the enactment of this measure and to encourage States to assume their responsibility under the provisions of this statute.

Sincerely yours,

JOHN C. LYNN, *Legislative Director.*

AMERICAN FARM BUREAU FEDERATION,
Washington, D. C., March 4, 1957.

Hon. W. R. POAGE,
Chairman, Conservation and Credit Subcommittee,
House Agriculture Committee,
United States House of Representatives, Washington, D. C.

DEAR CONGRESSMAN POAGE: We have been asked for our comments with regard to H. R. 4404 (Congressman McIntire, of Maine) and certain other proposals being considered by your subcommittee, March 5.

As we understand the provisions of H. R. 4404, which amends section 15 of the Bankhead-Jones Farm Tenant Act as amended, it would use the facilities of this act to encourage local banking institutions to assume more responsibility in meeting the credit needs of farmers in their area. We believe that this principle is sound in that the local banking institutions (1) are better able to judge the credit needs of local applicants and (2) are in a better position to provide supervision and management of such loans.

We therefore recommend favorable consideration of H. R. 4404.

Sincerely yours,

JOHN C. LYNN, *Legislative Director.*

AMERICAN FARM BUREAU FEDERATION,
Washington, D. C., March 4, 1957.

Hon. W. R. POAGE,
Chairman, Conservation and Credit Subcommittee,
House Agriculture Committee,
United States House of Representatives, Washington, D. C.

DEAR CONGRESSMAN POAGE: This is in regard to H. R. 3861, H. R. 3988, and H. R. 4253, and other identical bills, which amend the Bankhead-Jones Farmer Tenant Act as amended to provide more flexibility in refinancing loans and for other purposes.

As we understand the situation now, a farmer with grain, fruit and vegetables, cotton or other similar agricultural commodities is unable to include such items in listing the applicant's personal property in making application for loan under the provision of this act. We believe the restriction of the legislation agreed to last year to applicant's livestock and farm equipment as security for his loan was an oversight and that it is desirable that loan applicants have the opportunity to offer grain, fruit and vegetables, cotton and other similar agricultural commodities as security for loans under this provision.

We recommend favorable consideration by your subcommittee of the proposed amendment.

Sincerely yours,

JOHN C. LYNN, *Legislative Director.*

Mr. POAGE. Is there any other matter to come before the committee before we go into executive session?

We have now, I believe, covered all of the bills that have been referred to the subcommittee.

Do you gentlemen have anything further you would like to bring to our attention?

Mr. HANSEN. Nothing more, Mr. Chairman, other than I want to thank you for this opportunity to appear before this committee.

Mr. POAGE. We are very glad to have you.

The committee will go into executive session.

(Whereupon, at 4:10 p. m., the committee retired into executive session.)

MISCELLANEOUS BILLS

HEARING
BEFORE THE
COMMITTEE ON AGRICULTURE
HOUSE OF REPRESENTATIVES
EIGHTY-FIFTH CONGRESS
FIRST SESSION

ON
H. R. 188, H. R. 1270, H. R. 2139, H. R. 2871,
H. R. 3984, H. R. 5497, H. R. 5857, H. R. 6607,
and H. R. 6702

MAY 13, 1957

PART 1

Printed for the use of the Committee on Agriculture

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MISCELLANEOUS BILLS

MAY 13, 1957

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEES ON LIVESTOCK AND FEED GRAINS
AND CONSERVATION AND CREDIT,
OF THE COMMITTEE ON AGRICULTURE,
Washington, D. C.

The subcommittee met pursuant to notice at 10 a. m., in room 1310, New House Office Building, the Honorable W. R. Poage (chairman of the subcommittees) presiding.

Present: Representatives Poage, Albert, Jennings, Matthews, Hill, Hoeven, and McIntire.

Also present: Representative Johnson.

John Heimburger, counsel.

Mr. POAGE (presiding). The committee will please come to order.

The subcommittee first wants to consider some of the conservation and credit bills. The first one we have before the committee is H. R. 4404 by Mr. McIntire, and I understand that Mr. McIntire does not want to make a statement at this time, nor to have us take any action; is that right?

Mr. MCINTIRE. That is right.

Mr. POAGE. We will pass that bill without prejudice.

The next bill is by Mr. Hill. That is H. R. 6607.

(H. R. 6607 is as follows:)

[H. R. 6607, 85th Cong., 1st sess.]

A BILL To provide for the transfer of the assets of the Colorado Rural Rehabilitation Corporation to the State of Colorado

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of Agriculture is authorized and directed, notwithstanding any contrary provision in the Rural Rehabilitation Corporation Trust Liquidation Act (64 Stat. 98, 40 U. S. C. 440), or in any agreement executed pursuant thereto, to transfer to the State of Colorado all the cash and other assets of the Colorado Rural Rehabilitation Corporation now held by the Secretary for use by the Commissioner of Agriculture of the State of Colorado in making loans to farmers and ranchers for any of the purposes permitted by titles I or II of the Bankhead-Jones Farm Tenant Act or for such other purposes as the State shall determine to be necessary to meet the credit needs of bona fide farmers and ranchers who, because of drought or other disaster or for other unrelated causes, are unable to secure necessary agricultural credit on reasonable terms from private or cooperative sources. The Secretary of Agriculture shall thereafter be discharged of all responsibility and liability for the administration or use of such assets.

Mr. HILL. I do not think I need to go down the list. This bill explains itself. It is difficult since we cannot turn it over to the State. It is just putting in the hands of the State agricultural commission all of the funds of the old Rural Rehabilitation Corporation.

It should have been done long ago. It is really not an error, it is just because we in the State and also the Congress didn't provide for it at that particular time.

Now, all of the functions, let us put it this way, the cash funds are held by this corporation, and all of the notes and credits and other assets would still be held by the Secretary of Agriculture. That is exactly the way it has been.

So we prefer to have them all in the hands of the State agricultural commission. So far as I know there is no opposition. They are in favor of it and all parts of the bill.

Mr. POAGE. Is there anybody here from the Department?

Mr. PETTUS. I am not familiar with that bill. I am from the Agricultural Marketing Service here on some other bills.

Mr. HILL. Is there anybody in opposition to it?

Mr. POAGE. I don't think so.

We will leave the matter open.

Does anybody else want to say anything on this bill?

Mr. MCINTIRE. What is exactly involved here?

Mr. HILL. I think I have that in my files. I will be glad to make it a part of the record.

Mr. POAGE. You can put it in the record.

Mr. HILL. With the permission of the committee I will do that. It is just a short statement.

(The statement is as follows:)

CONGRESS OF THE UNITED STATES

HOUSE OF REPRESENTATIVES

NEWS RELEASE

WASHINGTON, D. C., April 3, 1957.—Senator Gordon Allott (Republican, of Colorado) and Congressman William S. Hill (Republican, of Colorado) said today they would introduce legislation to provide for the transfer of the assets of the Colorado Rural Rehabilitation Corp. to the State of Colorado. (Congressman Hill will introduce the legislation on Wednesday, and Senator Allott will offer the bill on Thursday, the next regular meeting of the Senate.)

The bill is designed to transfer to the State of Colorado all the cash and other assets of the Colorado Rural Rehabilitation Corp. now held by the Secretary of Agriculture. Under the terms of the legislation more than \$1 million in assets would be transferred to the State for the use of the commissioner of agriculture in making loans to farmers and ranchers. This would be restricted to the purposes permitted by title I or II of the Bankhead-Jones Farm Tenant Act or for such other purposes as the State shall determine to be necessary to meet the credit needs of bona fide farmers and ranchers.

The money would provide a useful supplemental source of credit for farmers and ranchers; particularly valuable in view of the losses caused by drought and recent extreme and adverse weather conditions in Colorado.

The Colorado Rehabilitation Corp. was established in 1934 to handle Federal grants given to the State of Colorado by the Federal Emergency Relief Agency.

In 1951 Congress directed that these trusts be liquidated and the assets returned to the State corporation but provided that agreements could be entered into whereby the Department of Agriculture would continue to administer the funds for the States. Colorado elected to enter into such agreement under this program whereby the Farmers' Home Administration continued to use the funds to make guaranteed loans as provided by law under the Bankhead-Jones Farm Tenant Act.

Senator Allott and Congressman Hill feel that this legislation is necessary to insure that the funds remain in the hands of State officials rather than under the control of a private corporation, the board of directors and stockholders of which are neither Federal nor State officials.

Mr. POAGE. All right.

Mr. HILL. It gives most of the reasons we ought to have it; why it is; why it can be done and what has been done.

Mr. POAGE. All right. We will now go to the next.

We will now step down to bills of the Livestock Committee. The first one is by Mr. Gross. Is Mr. Gross here?

Mrs. DOWNEY (the clerk). No. We called all of the authors, Mr. Chairman.

Mr. POAGE. I know we did.

Mrs. DOWNEY. We have a statement by the Department here.

Mr. POAGE. If you do not think Mr. Gross wants the bill to be heard I am not going to hear it.

Mr. ALBERT. I move that we pass it over.

Mr. HILL. I second the motion.

Mrs. DOWNEY. He said he would be here.

Mr. POAGE. All right. It will be passed over until we hear from Mr. Gross.

And the next bill, I believe, is Mr. Willis'.

Mrs. DOWNEY. He said that he thought the grazing bill could take care of that and he asked that it not be heard.

Mr. POAGE. If that is Mr. Willis' wish we might as well table this bill.

Mrs. DOWNEY. We have a Department report. Mr. Pettus has come up to testify on it. Do you want to get that?

He has a written statement on that, on H. R. 1270.

Mr. POAGE. You are ready to testify on that?

Mr. PETTUS. Yes.

(H. R. 1270 and the report from the Department of Agriculture are as follows:)

[H. R. 1270, 85th Cong., 1st sess.]

A BILL To amend section 302 of the Packers and Stockyards Act of 1921 so as to make such Act inapplicable to stockyards which engage exclusively in the sale of livestock on commission at public auction

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 302 (a) of the Packers and Stockyards Act of 1921 (42 Stat. 163; 7 U. S. C. 202 (a)) is amended by adding at the end thereof a new sentence as follows: "This Act shall not apply to any stockyard engaged exclusively in the selling at public auction, for a commission, of livestock belonging to other persons."

UNITED STATES DEPARTMENT OF AGRICULTURE,
Washington, D. C., April 3, 1957.

HON. HAROLD D. COOLEY,
Chairman, Committee on Agriculture,
House of Representatives.

DEAR CONGRESSMAN COOLEY: This is in reply to a telephone request from your committee March 5, 1957, for a report on H. R. 1270, a bill to amend section 302 of the Packers and Stockyards Act of 1921 so as to make such act inapplicable to stockyards which engage exclusively in the sale of livestock on commission at public auction.

This Department does not recommend enactment of this proposed amendment to the Packers and Stockyards Act.

This bill would require the depositing of 340 of the largest auction yards in the United States and would deprive livestock producers patronizing these auctions, which are in many instances the major livestock markets in their States, of the price, weight, rate, and bond protection provided by the act. It would also prevent patrons of several hundred additional auction markets, which meet the re-

quirements of the act but are not yet posted, from receiving the benefits of these market safeguards in the future.

Livestock auctions have increased in number and size in the United States until they are now an important factor in the interstate movement of livestock and in the determination of prices paid to livestock producers for their livestock. Substantially the same reasons exist for the inclusion of auction markets under the act as for the inclusion of terminal stockyards. Supervision of only a portion of interstate commerce in this field is not desirable. If auction markets, an important source of supply for the interstate meatpackers, the principal buying force at public markets, are exempted from jurisdiction of the Department, an exceedingly difficult and costly burden would be imposed upon the Secretary of Agriculture to maintain open competitive livestock markets for the determination of true livestock values for the livestock producers of the country. The exclusion of the major auction markets from the provisions of the act would make more difficult the prevention of unfair competitive practices detrimental to competing livestock markets remaining under the act.

Some savings in travel and salary costs would result from deposing of the 340 auction markets. There would, however, also be some increase in the costs of supervising the remaining stockyards and preventing and uncovering restrictive and collusive practices, which deprive the livestock producer of the true value of his livestock, if many of the important livestock markets are excluded from the jurisdiction of the Department.

The Bureau of the Budget advises that there is no objection to the submission of this report.

Sincerely yours,

E. T. BENSON, *Secretary.*

Mr. POAGE. You also want to testify on the Gross bill?

Mr. PETTUS. I have testimony prepared, if you wish to hear it.

Mr. POAGE. Why don't we hear the Department on both bills at this time? I do not know whether they are alike.

**STATEMENT OF D. M. PETTUS, ACTING DIRECTOR, LIVESTOCK
DIVISION, ACCOMPANIED BY JOHN ZELINSKI, CHIEF, RATES AND
REGISTRATION SECTION, AGRICULTURAL MARKETING SERVICE,
DEPARTMENT OF AGRICULTURE**

Mr. PETTUS. They are different bills.

My name is David Pettus. I am Acting Director of the Livestock Division of the Agricultural Marketing Service.

I am glad to appear before this committee to discuss H. R. 1270, a bill to amend the Packers and Stockyards Act so as to exclude auction markets from the jurisdiction of that act.

During the last 20 years livestock auctions have increased in number and size in the United States until, at this time, they handle approximately as many cattle and nearly as many hogs and sheep as the terminal markets.

They have become an increasingly important factor in the interstate movement of livestock and in the determination of prices paid to livestock producers for their livestock.

In some cases they serve as the price determining markets for large areas. In general, auction markets serve the same purpose as terminal stockyards, and there appears to be no substantial reason why auction markets should be exempted from the provisions of the act.

To do so would remove 375 of the largest auction yards in the United States from the supervision of the Department and would deprive the livestock producers patronizing these auctions of the basic protection provided by the act.

It would also prevent the patrons of several hundred additional auction markets, which meet the requirements of the act but are not

yet posted, from receiving the benefits of these market safeguards in the future.

Auction markets, as pointed out, constitute an important source of supply for the interstate meatpacker. If these markets are exempted from the jurisdiction of the act, it will become more difficult for the Department to insure competition and prevent manipulation of prices in the remaining public livestock markets.

It would also make more difficult the prevention of unfair competitive practices detrimental to competing livestock markets remaining under the act.

Mr. POAGE. Is that all you have?

Mr. PETTUS. That is all I have.

Mr. POAGE. We will hear the statement on H. R. 188 next. We will be glad to hear from you on that.

(H. R. 188 is as follows:)

[H. R. 188, 85th Cong., 1st sess.]

A BILL To amend the Packers and Stockyards Act to prevent sudden and unreasonable decreases in the price of hogs and cattle which are sold at stockyards or to packers subject to that Act

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress hereby finds that sudden and unreasonable decreases in the price of swine and cattle sold at stockyards and to packers frequently resulting in serious losses to livestock producers who must transport their swine and cattle to stockyards and to packing plants for sale at the prevailing prices, which are not necessarily a consequence of normal variations in supply, and that such decreases therefore constitute an undue and unnecessary burden on interstate commerce. It is declared to be the policy of the Congress and the purpose of this Act to eliminate such burden by limiting the extent to which such decreases may lawfully occur at stockyards and packing plants which are subject to regulation by the United States.

SEC. 2. (a) Section 312 of the Packers and Stockyards Act, 1921 (7 U. S. C. 213), is amended by redesignating subsection (b) as subsection (c) and by inserting after subsection (a) the following new subsection:

"(b) (1) It shall be unlawful for any stockyard owner, market agency, or dealer to buy swine or cattle at a stockyard, or to furnish stockyard services in connection with the buying of such swine or cattle, or for any packer to buy any swine or cattle, unless the price paid to the producer is within the permissible range of fluctuation under paragraph (2) of this subsection.

"(2) The price paid at a stockyard, or by a packer, for swine of any grade shall be within the permissible range of fluctuation only if it is not more than 10 cents a hundredweight less than the average price paid at such stockyard, or by such packer, for swine of the same grade on the preceding business day. The price paid at a stockyard, or by a packer, for cattle of any grade shall be within the permissible range of fluctuation only if it is not more than 25 cents a hundredweight less than the average price paid at such stockyard, or by such packer, for cattle of the same grade on the preceding business day. As used in this paragraph with respect to swine or cattle at any stockyard, or bought by any packer, the term 'preceding business day' does not include any day on which no swine or cattle (as the case may be) are bought or sold at such stockyard or by such packer."

(b) The subsection of section 312 of such Act herein redesignated as subsection (c) is amended (1) by striking out "that any stockyard" and inserting in lieu thereof "that any packer, stockyard", and (2) by striking out "subsection (a) of this section" and inserting in lieu thereof "subsection (a) or (b) of this section".

(c) Section 314 (a) of such Act is amended by striking out "Any stockyard" and inserting in lieu thereof, "Any packer, stockyard".

(d) Section 315 of such Act is amended by striking out "If any stockyard" and inserting in lieu thereof "If any packer, stockyard".

SEC. 3. The amendments made by section 2 of this Act shall apply only with respect to sales of swine and cattle occurring on and after the date of the enactment of this Act.

Mr. PETTUS. I am glad to appear before this committee to discuss livestock price problems in connection with your consideration of H. R. 188.

As you know, the livestock industry is one of the most important segments of agriculture in the United States. Livestock is produced on most farms and ranches in this country, and, therefore, livestock pricing problems are important to most farmers.

The overall problem of sharp changes in prices with which you are concerned in considering H. R. 188 arises chiefly because of changing production and uneven marketings.

Another factor which contributes to price changes is, of course, change in demand. Temporary shortages or market gluts, labor problems, unusual weather, etc., can bring about changes in livestock and meat prices almost overnight.

Since meat is a very perishable product and must be moved into consumption usually within a very short time, changes in demand for and supply of meat tend to bring about greater price changes for both meat and livestock than for storable commodities.

H. R. 188, which would amend the Packers and Stockyards Act, has as its objective the prevention of sudden and unreasonable decreases in the prices of hogs and cattle sold at stockyards or to packers subject to that act.

The bill would make it unlawful for any stockyard owner, market agency, or dealer subject to the act to buy hogs or cattle or to furnish stockyard services in connection thereof, or for any packer to buy any hogs or cattle whenever hog prices to producers decline more than 10 cents per 100 pounds or whenever cattle prices decline more than 25 cents per 100 pounds from the average price paid on the preceding business day.

In our opinion, while this legislation is aimed at the desirable objective of preventing sharp declines in livestock prices, it would not eliminate the cause of a decline and, therefore, it would not likely be effective in preventing such price declines.

Basically, price itself helps regulate the supply of and demand for livestock and livestock products at the markets from both the short- and long-run standpoints.

The legislation as proposed would attempt to prevent sharp price declines at only a relatively few of the numerous markets at which hogs and cattle are sold.

There are almost 2,200 public stockyards and auctions in the United States. Of these, only 426 are operating under provisions of the Packers and Stockyards Act.

In addition, there are transactions at a large number of buying stations and at farms which are not affected by the Packers and Stockyards Act.

Hence, a substantial proportion of the total marketings of hogs and cattle would not come within the provisions of the proposed legislation. If such controls were put into effect, we would expect considerable diversion of livestock from the established channels of marketing.

Such restrictions would influence producers to sell at markets not subject to provisions of the Packers and Stockyards Act, or, if they left their livestock at the posted market, sellers might be subjected to large feed costs and loss from shrinkage.

This could result in making it unprofitable for producers to utilize the facilities of posted markets. The distortion in marketing which would result would only add to the difficulties of producers.

At any market on any market day there normally are many different prices for animals of the same species and grade. These different prices reflect such varied conditions as differences in expected yield, weight, age, sex, and so forth, and also actual or anticipated changes in supply and demand conditions, even during the day.

The limits of daily price declines specified in the proposed legislation, which are in terms of differences from the average price paid for livestock of the same grade on the preceding business day, do not take into consideration this usual price variation.

Under current conditions, producers, if they desire to do so, can direct their commission firms to hold their livestock and to feed and care for them until they can be sold more satisfactorily or at a specific price.

In fact, it is not at all unusual now for livestock producers to make arrangements of this sort. However, this is a flexible restriction which the producers can remove at any time that it appears greater loss may be incurred by holding their livestock than by selling at the prevailing market price.

The legislation proposed in H. R. 188, therefore, appears impractical and would not likely achieve the desired results. In fact, such legislation could create more problems than it would solve. Livestock prices cannot be prevented from declining simply by legislating against such declines.

The Department has attempted to reduce drastic fluctuations in livestock prices through its administration of the Packers and Stockyards Act and through our other services such as the livestock market news service.

Through the Packers and Stockyards Act, we try to assure free and open competition on the part of buyers for producers' livestock.

Through the market news service, we attempt to inform producers of prevailing supply and demand conditions and the prices which currently are being paid.

This enables many producers to promptly determine the current market conditions for livestock and thus to better plan their marketings.

Mr. POAGE. Mr. Pettus, we are very much obliged to you for that statement. I just wondered if you would give us your opinion, whether the passing of the legislation will keep products from going down?

Mr. PETTUS. No, sir; I don't think so.

Mr. POAGE. We had this kind of a bill before the committee last year or the year before. Mr. Simpson had a bill, I do not think it went to the extent of making it unlawful for any stockyard to feed livestock which was sold for less than the prescribed range in prices.

How in the world could a stockyard stay in business under the conditions of this bill?

Mr. PETTUS. I don't know that it could, sir; but it would make operations extremely difficult if not impossible.

Mr. POAGE. At Omaha for instance; suppose a load of steers were in the stockyards there, and we kept them there for several days, and did not feed them—if the stockyards did not feed them—it is regular

routine, if the owner should turn around and sell them to somebody at a price less than prescribed here, under the terms of this bill, the Omaha stockyards would be subject to a penalty.

Mr. PETTUS. It appears that he would be.

Mr. POAGE. How can you prevent me from selling my own cattle?

Mr. PETTUS. He might refuse the services after you sold them but I don't see how he could before.

Mr. HILL. We have done something like this on the sale of stock on the market, but when you come to livestock, I do not see how in the world, when a farmer has his cattle or his sheep or his hogs on the market, you try to pass a law here that he can't sell them at any price because the price has gone down. What is he going to do with them, I wonder?

Mr. PETTUS. He would have to take them home.

Mr. HILL. How could he? He has no place to take them, no feed, might not even have any water. What will he do with them?

I think this bill is not workable.

Mr. POAGE. We are very much obliged to you, Mr. Pettus. We thank you for your statement.

Do you have any statements on any other bills?

Mr. PETTUS. Two others that you have scheduled.

Mr. POAGE. The next one is H. R. 2139 by Mr. Budge. Mr. Budge is here and we will be glad to hear from him.

(H. R. 2139 is as follows:)

[H. R. 2139, 85th Cong., 1st sess.]

A BILL To authorize the Secretary of Agriculture to require reasonable bonds from packers

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the proviso in the paragraph designated "Packers and Stockyards Act", under the heading "Marketing Service", in the Department of Agriculture Appropriation Act, 1944 (7 U. S. C. 204), is amended by striking out "market agency and dealer" and inserting in lieu thereof "market agency, dealer, and packer".

STATEMENT OF HON. HAMER H. BUDGE, A REPRESENTATIVE IN CONGRESS FROM THE SECOND CONGRESSIONAL DISTRICT OF THE STATE OF OHIO

Mr. BUDGE. Thank you very much, Mr. Chairman.

Mr. Chairman and gentlemen of the committee, H. R. 2139 is a very short bill. In one paragraph it states that the proviso in the paragraph designated "Packers and Stockyards Act" under the heading "Marketing Service," in the Department of Agriculture Appropriations Act of 1944 is amended by striking out the words "market agency and dealer," and would add the words "market, agency, dealer, and packer."

The purpose of this legislation is to require through new legislation an authority which the Department of Agriculture originally thought it had.

When this act was first passed, the Department took the position that all packers were covered under the word "dealer." A United States Circuit Court of Appeals apparently, without having cited to it the legislative history of the original legislation, concluded that packers were not included within the word "dealers," unless they happened to be covered under the Packers and Stockyards Act.

At the present time in the United States there are some 66 terminal and 337 auction stockyards that have been covered with bonds for a good many years.

There are also approximately 2,600 packer-buyers. These are the individuals and the firms who would be covered under the provisions of H. R. 2139.

The Department of Agriculture has previously reported favorably upon this bill. I have not seen their report this year. I think the Department is very desirous of having this enacted because it would protect the shippers of livestock not only against the loss which in the past in many instances has been considerable, but the enactment of this legislation would prevent such losses and consequently reduce the cost of marketing to the producer.

I know of no objection to the enactment of the bill. Any packer could obtain such a bond for a relatively small fee which would be in the nature of some \$5 per thousand. I think any reliable agency, any reliable firm, would certainly not complain much about that kind of a surety bond going to cover the shippers of livestock.

The losses to the producers in the past have been somewhat difficult to determine, but in many instances, according to the reports given to me by the Department of Agriculture, they have been substantial.

They have not affected the producer as such in the past, to the large degree that they might have because they have been absorbed by the dealers and the marketing agencies.

We have no assurance that will be true in the future. And even though they are absorbed by the marketing agencies and the dealers, such absorption must of necessity increase the cost of marketing to the original producer.

I very much appreciate this opportunity to appear before you. I think the legislation is proper, and I hope that the subcommittee will see fit to approve it.

MR. POAGE. We thank you, Mr. Budge. We do appreciate your coming in and talking to us about it.

As a general matter it seems to be perfectly clear. I confess I do not get what the specific law is that you are referring to.

How have they been losing money? Just what has been the abuses that you seek to cure?

MR. BUDGE. I might quote briefly from a letter addressed to me under date of February 14, 1957, by the Agricultural Marketing Service of the United States Department of Agriculture, and signed by the Deputy Administrator Mr. Lennartson.

In one paragraph he says here:

Since the end of World War II, particularly, marketing agencies and dealers subject to the act have incurred sizable losses due to failure of certain packers to pay for livestock purchased at markets supervised under the act.

Up to the present such losses have been absorbed by the marketing agencies and dealers to whom the accounts were owed, or they have been covered by bonds required to be maintained by registered marketing agencies and dealers so that the producers of livestock concerned have suffered no loss of proceeds.

The Department has not maintained complete records of losses incurred by registered marketing agencies and dealers due to failure of packers to pay for livestock purchased from them.

In 1953 and 1954, when bills were pending in Congress which would have amended the Packers and Stockyards Act to require bonds of packers, the Department furnished to the Senate committee considering the bills available records of losses incurred by marketing agencies and dealers due to failure of packers to pay for livestock purchased from them.

The marketing agencies and dealers then voluntarily submitted information covering such losses and our Packers and Stockyards Branch personnel took steps to confirm the accuracy of such reports.

The information which was summarized from the reports in tabular form was sent to the chairman of the Committee on Agriculture and Forestry, United States Senate. A copy of the tables are enclosed for your information.

I have that tabulation that applies.

Mr. POAGE. Will you make that a part of our record? Frankly it is a thing I do not know anything about. I do not quite understand how a producer can lose on a posted market.

If he sends his stock to the market, is the stockyard and auction yard bonded?

Mr. BUDGE. With your permission I will make this letter to which I referred and the tabulation a part of the record at this point.

Mr. POAGE. Without objection it will be inserted in the record at this point.

(The letter and tabulation are as follows:)

STATEMENT OF HON. HAMER H. BUDGE, SECOND CONGRESSIONAL DISTRICT OF IDAHO

Mr. Chairman and members of the committee, I appreciate the invitation extended to me to present this statement in support of H. R. 2139, which is pending before your committee.

This legislation was introduced after careful consideration and study into the problems relating to the small livestock producer.

This bill would permit the Secretary of Agriculture to require bonds from packers engaged in interstate commerce. It is my understanding that market agencies and dealers subject to the Packers and Stockyards Act have been bonded for more than 30 years and that if these bonds, which now total more than 46 millions of dollars had not been made, producers of livestock would have suffered heavy losses from their proceeds of sales.

However, the present law is not extensive enough to cover all of the small packers now operating. It is for this purpose that I have introduced this legislation and I feel that it is vitally important at this time.

As I understand this legislation and the situation at the present time, the small packer may purchase animals for slaughter without giving any surety to the seller and should he have financial reverses or be unreliable, the seller must absorb the loss. In most instances, the small packers do not own sufficient real estate to provide any guaranty to the seller. Because of this situation, this legislation is needed to require that the small packer come under the provisions of the Packers and Stockyards Act and be required to furnish sufficient bond to protect the small livestock producer.

In addition to the 66 terminal and 337 auction stockyards now covered with bonds, there are approximately 2,600 packer buyers. These latter ones, the packer buyers and their employees, are not bonded.

Therefore, it would seem important to me that this bill be approved and I strongly recommend that you act on it favorably.

DEPARTMENT OF AGRICULTURE,
AGRICULTURAL MARKETING SERVICE,
Washington, D. C., February 14, 1957.

HON. HAMER H. BUDGE,
House of Representatives.

DEAR CONGRESSMAN BUDGE: This is in response to a request from Mr. Trayn of your office to Mr. Sinclair for information which might be available in the Packers and Stockyards Branch of our Livestock Division on the matter of bond coverage for packers subject to the provisions of the Packers and Stockyards Act.

Since the end of World War II particularly, market agencies and dealers subject to the act have incurred sizable losses due to failure of certain packers to pay for livestock purchased at markets supervised under the act. Up to the present such losses have been absorbed by the market agencies and dealers to

whom the accounts were owed, or they have been covered by bonds required to be maintained by registered market agencies and dealers so that the producers of livestock concerned have suffered no loss of proceeds.

The Department has not maintained complete records of losses incurred by registered market agencies and dealers due to failure of packers to pay for livestock purchased from them. In 1953 and 1954, when bills were pending in Congress which would have amended the Packers and Stockyards Act to require bonds of packers, the Department furnished to the Senate committee considering the bills available records of losses incurred by market agencies and dealers due to failure of packers to pay for livestock purchased from them. The market agencies and dealers then voluntarily submitted information covering such losses and our Packers and Stockyards Branch personnel took steps to confirm the accuracy of such reports. The information which was summarized from the reports in tabular form was sent to the chairman of the Committee on Agriculture and Forestry, United States Senate. A copy of the tables are enclosed for your information.

The Department has very little information in its files concerning losses incurred by producers in selling livestock direct to packers. The limited information available, however, indicates that in several cases the losses of such producers have been substantial.

Packers and dealers are the principal buyers of livestock consigned by producers through the 66 terminal and 337 auction stockyards supervised under the Packers and Stockyards Act. The market agencies and dealers at these markets provide a bond coverage of approximately \$46 million.

We have at the present time, in addition to the dealer buyers, approximately 2,600 packer buyers. They and their employers are not bonded. The Secretary has authority under the act to suspend registered dealers operating at supervised markets if he finds they have become insolvent or engaged in unfair and dishonest practices. If a packer fails without just cause to meet his commitments after having represented to registrants that he will pay promptly for livestock sold to him, a formal proceeding may be brought against him. However, if it is found that the packer has engaged in an unfair or dishonest practice in violation of the act, the sanction which may be imposed under the act is limited to the issuance of a cease and desist order.

The information on packer failures in our files extends only through the year 1953. It is possible, of course, that further inquiry would supply data of a more current nature. We shall be happy to be of further assistance in this matter when we are able.

Sincerely yours,

ROY W. LENNARTSON,
Deputy Administrator.

TABLE A.—*Losses incurred by commission firms and dealers, registered under the Packers and Stockyards Act to operate at supervised markets, due to failure of packers to pay for livestock purchased from such registrants*

[The figures given below do not constitute a complete listing of all losses incurred by registrants due to failure of packers to pay them for livestock purchased; they represent only such losses as have been reported to the Department by registrants or have come to the attention of the Department through news items, bankruptcy proceedings, etc. The figures do not include losses incurred by registrants which were covered by bonds that had been required of the packers by registrants with approval of the Packers and Stockyards Branch, nor do they include those cases in which registrants in order to salvage something from their losses accepted stock or ownership interest in packing companies in lieu of payment. The figures represent net losses to the registrants. The original defaults of the packers in many cases were much larger than the figures shown in the table but have been reduced by collections made over a period of years. The figures shown in this table (A) do not include losses incurred by producers and nonregistrants who sold livestock direct to packers and failed to collect.]

Year	Packer	State	Total losses, all registrants	Loss, each registrant	Regis- trant	State	Business of registrant
1946	1	New York.....	\$9,288.67	\$9,288.67	1	Iowa.....	Dealer.
	2	Wisconsin.....	37,607.95	17,186.65	2	Illinois.....	Buying agency.
1947	3	New York.....	17,000.00	20,421.30	3	Iowa.....	Selling agency.
	4	California.....	15,403.26	17,000.00	4	Kentucky.....	Dealer.
	5	do.....	1,000.00	15,403.26	5	Montana.....	Selling agency.
	6	New Jersey.....	20,576.79	1,000.00	6	California.....	Do.
				20,576.79	7	Illinois.....	Buying agency.
	7	California.....	24,000.00	24,000.00	8	California.....	Selling agency.
	8	New York.....	14,000.00	14,000.00	4	Kentucky.....	Dealer.
	9	New Jersey.....	11,000.00	11,000.00		do.....	Do.

TABLE A.—*Losses incurred by commission firms and dealers, registered under the Packers and Stockyards Act to operate at supervised markets, due to failure of packers to pay for livestock purchased from such registrants—Continued*

Year	Packer	State	Total losses, all registrants	Loss, each registrant	Regis- trant	State	Business of registrant
1948	10	Delaware.....	\$31,000.00	\$31,000.00	4	Kentucky.....	Dealer.
	11	New Jersey.....	9,867.92	9,867.92	9	do.....	Buying agency.
	12	Illinois.....	46,000.00	40,000.00	10	Illinois.....	Do.
				6,000.00	4	Kentucky.....	Dealer.
	13	do.....	35,616.40	12,035.81	11	Indiana.....	Do.
				3,559.82	12	Minnesota.....	Do.
				14,944.53	13	Illinois.....	Do.
				5,076.24	14	do.....	Do.
	14		15,122.49	13,172.10	15	Pennsylvania.....	Selling agency.
				1,950.39	16	do.....	Dealer.
	15		900.00	900.00	2	Illinois.....	Buying agency.
	16	Nevada.....	6,302.59	6,302.59	17	Idaho.....	Selling agency.
	17	Pennsylvania.....	1,721.87	619.83	18	West Virginia.....	Do.
				9802.04	19	Pennsylvania.....	Do.
				300.00	20	do.....	Do.
1949	18	Louisiana.....	2,895.22	2,895.22	21	Louisiana.....	Do.
	19	New Jersey.....	691,921.02	23,095.34	22	Alabama.....	Dealer.
				1,275.12	23	Maryland.....	Selling agency.
				3,328.73	24	New Jersey.....	Do.
				15,004.39	25	Pennsylvania.....	Dealer.
				1,242.70	26	Maryland.....	Selling agency.
				16,869.52	27	Ohio.....	Dealer.
				3,415.95	28	New Jersey.....	Selling agency.
				20,870.98	29	do.....	Do.
				2,111.90	30	Pennsylvania.....	Dealer.
				1,220.13	31	New Jersey.....	Selling agency.
				4,006.42	32	do.....	Do.
				541,866.64	4	Kentucky.....	Dealer.
				57,613.20	33	Pennsylvania.....	Do.
	19	do.....	136,157.73	136,157.73	4	Kentucky.....	Do.
	20		1,451.37	1,451.37	34	Washington.....	Selling agency.
	21	New York.....	38,000.00	38,000.00	4	Kentucky.....	Dealer.
	22	Illinois.....	2,164.44	2,164.44	2	Illinois.....	Buying agency.
	23	Louisiana.....	2,024.91	2,024.91	21	Louisiana.....	Selling agency.
	24	New York.....	52,000.00	52,000.00	4	Kentucky.....	Dealer.
1951	25	Texas.....	5,476.20	5,476.20	35	Texas.....	Selling agency.
	26	California.....	18,125.04	18,125.04	36	Idaho.....	Do.
	27	Colorado.....	4,531.45	4,531.45	37	Colorado.....	Do.
	28	Indiana.....	15,000.00	15,000.00	38	Indiana.....	Do.
	29	Kentucky.....	19,431.16	9,445.72	39	Kentucky.....	Do.
				9,985.44	40	do.....	Buying agency.
	30	Michigan.....	25,719.34	7,633.27	41	Illinois.....	Do.
				11,766.11	42	do.....	Dealer.
				6,319.96	43	Michigan.....	Selling agency.
	31	Illinois.....	21,789.39	21,789.39	44	Iowa.....	Buying agency.
1952	32	Arkansas.....	7,987.22	7,987.22	45	Missouri.....	Do.
	33	Florida.....	3,783.22	3,783.22	46	Tennessee.....	Dealer.
	34		3,751.47	3,751.47	47	Montana.....	Selling agency.
	35	Texas.....	1,022.12	1,022.12	48	Texas.....	Do.
	36	do.....	13,278.07	13,278.07	35	do.....	Do.
	37	Ohio.....	1,529.28	1,529.28	49	Ohio.....	Do.
	38	New Jersey.....	22,200.00	18,700.00	33	Pennsylvania.....	Dealer.
				3,500.00	10	Illinois.....	Buying agency.
	39	Nebraska.....	26,304.01	12,544.90	50	Nebraska.....	Selling agency.
				11,634.67	51	do.....	Do.
				2,124.44	52	do.....	Do.
	40	New Jersey.....	10,020.79	10,020.79	2	Illinois.....	Buying agency.
	41	Kentucky.....	22,000.00	22,000.00	4	Kentucky.....	Dealer.
	42	Texas.....	20,000.00	20,000.00	53	Texas.....	Selling agency.
	43	Missouri.....	1,515.49	1,515.49	54	Illinois.....	Dealer.
1953		Total.....	1,466,486.89				

¹ Rec.

TABLE B.—*Examples of losses resulting from failure of packers to pay for live-stock purchased from producers and others not registered under Packers and Stockyards Act*¹

Year	Packer	State	Total losses nonregis-trants	Number of livestock sellers
1948.....	² 13	Illinois.....	\$109,271.75	45
1949.....	19	New Jersey.....	247,805.56	11
1951.....	30	Michigan.....	68,423.95	23

¹ Information available from bankruptcy court records.² Detail shown in table B-1.TABLE B-1.—*Claims of livestock producers and sellers for livestock sold to Danville Packing Co., Danville, Ill., in 1948, ultimately settled at 52 cents on the dollar*

Nonregistrants:

Edward Allen, Hoopeston, Ill.....	\$569.05
Harvey Allison, Homer, Ill.....	2,585.76
James Allison, Homer, Ill.....	507.86
B. F. Amick, Fithien, Ill.....	171.87
Robert Anderson, Georgetown, Ill.....	5,193.40
Dr. C. George Appele, Ogden, Ill.....	464.03
Oran Barnes, Bushnell, Ill.....	68.13
Herschel Beauchamp, Cayuga, Ind.....	438.75
Herb Benbow, Hoopeston, Ill.....	569.05
Dora Cadle, Rossville, Ill.....	1,189.92
Arnold Cheesman, Cayuga, Ind.....	59.67
Collett Orphans Home, Cayuga, Ind.....	130.50
Covington Stock Yards, Covington, Ind.....	4,349.21
Howard Darr, Fairmont, Ill.....	41.70
Wendal Eddington, Metcalf, Ill.....	62.56
Ruben Fortner, Cayuga, Ind.....	56.02
Robert Fulton, Chrisman, Ill.....	917.50
Archie Greenwood, Williamsport, Ind.....	94.40
Roland Hathaway, Kingman, Ind.....	451.67
Otis Hathaway, Rural Route No. 6, Danville, Ill.....	368.00
Hennie Bros., Onarga, Ill.....	1,018.74
Earl Holycross, Perrysville, Ind.....	715.95
Manford Hollycross, Perrysville, Ind.....	298.85
J. L. King, Hume, Ill.....	902.20
Franklin Lee, Wellington, Ill.....	1,120.50
Freeman Lewis, Rankin, Ill.....	245.77
Marvin Lewis, Rankin, Ill.....	75.25
Violet Lewis, Danville, Ill.....	2.10
Midwest Order Buyers, Chapin, Ill.....	27,863.89
Frank Morlock, Ambia, Ind.....	684.00
John Nelson, Rossville, Ill.....	1,062.72
Mrs. Bert Noggle, Ridgefarm, Ill.....	288.00
William Overton, Hume, Ill.....	128.70
E. C. Paris, Veedersburg, Ind.....	1,994.40
David Porter, Cayuga, Ind.....	10.40
Ray Randall, Danville, Ill.....	787.42
Marvin Sprague, Rankin, Ill.....	804.85
Clay Thomas, Chrisman, Ill.....	288.42
Tri-County Stock Yards, McKenzie, Tenn.....	50,110.29
Don Tweedy, Hoopeston, Ill.....	9.19
Henry Van Hovel, Milford, Ill.....	710.70
Wait & Farris, Perrysville, Ind.....	535.35
Pearl Wattles, Ambia, Ind.....	226.96
Western Buyers, Algona, Iowa.....	118,962.12
Ray Word, Williamsport, Ind.....	588.65

227,694.47

TABLE B-1.—*Claims of livestock producers and sellers for livestock sold to Danville Packing Co., Danville, Ill., in 1948, ultimately settled at 52 cents on the dollar—Continued*

Registrants:

Bangs & Terry, St. Paul, Minn-----	\$7, 416. 30
Herrell Bros., Indianapolis, Ind. (Indianapolis Stockyards) ----	25, 074. 64
Midwest Order Buyers, Bushnell, Ill-----	31, 143. 44
Peoria Livestock Co., Peoria, Ill-----	10, 575. 49

74, 209. 87

Mr. POAGE. Aren't these markets bonded?

Mr. PETTUS. The marketing agencies are bonded but the bond is not sufficiently large in some cases to cover the losses. And this bill also goes to packers buying outside of bonded stockyards.

I have testimony on this, Mr. Chairman.

Mr. POAGE. We will be glad to hear from you on it.

Mr. HILL. I can't recall of any livestock dealer in my area—and we have considerable numbers—losing money on the sale of livestock in the auction lots or packer-dealer lots. There is no loss to the producer of the livestock as you read a moment ago.

Mr. BUDGE. I would say this, Mr. Hill, the information—the tabulation which the Department has made, is a very, very sketchy one. I do not believe that the Department itself knows to what extent this abuse has existed.

Originally, when the Department reported on this bill, on October 16 of 1953, they set forth the tabulation which is attached to this letter. They said that the practice was becoming more prevalent and that in many, many instances, when they attempted, when the marketing agency or the dealers attempted to recover the price which should be paid him, by a packer, and the packer or his employee had purchased the livestock, that they were unable to recover the amount which was to be paid.

And that in most instances the type of packer who has abused the privilege of buying in the market, does not have sufficient funds to respond to whoever might suffer the loss.

I will point this out to you specifically, that even though the shipper, the producer of the livestock, does not suffer a loss, a direct financial loss, because he may be covered and paid by the marketing agency, that is covered under the present act, but if the marketing agency has to absorb that loss of the funds which are not paid by the packer for the merchandise which he purchased, then that must of necessity increase the marketing cost which ultimately must be borne by the producer.

Mr. HILL. Aren't there State laws on that? I am positive in Colorado the packer that had no funds or auction lots that have no funds, could not cover that, would be out of business in the State of Colorado overnight. I am sure on that.

The State has a responsibility. You could not buy stock and give a rubber check. That used to be called horsestealing in the early days. You can't do that in Colorado. You could not buy a carload of cattle from me in an auction, I do not care where you shipped them.

If you give me a rubber check you are in trouble because you are going to be in the penitentiary because we have a very strict law on writing checks if you do not have the money to cover it.

I don't believe this thing is necessary in Colorado from any angle. I have never had a letter on it. I cannot remember any time when we had any trouble on it.

Mr. BUDGE. Your auction yards are covered under the bonding provisions of the Packers and Stockyards Act just as are the terminals.

Mr. HILL. Let us not forget that every short check operator in Colorado——

Mr. ALBERT. Will you yield there? There is one thing to be covered. In order to be sure that the stockman is not going to lose his money—you don't get the money. You may get a check.

Mr. HILL. The man goes to the pen. No evidence of any loss by the producer. So the "in between man" suffers the loss.

Mr. POAGE. I see no objection to what Mr. Budge is proposing to do. I see no reason for not requiring the bond. But the question does occur to me as to how these packers continue to do business if they do not pay their bills.

I cannot conceive of a man staying in the packing business who does not pay. Certainly, the first time maybe they could rob an auction, but the old saying is the second time the operator was to blame if he got such a check. I am sure you would blackball all of those packers who do not pay their bills.

Mr. BUDGE. Could I quote this from the Department report?

Mr. POAGE. I wonder if you could tell us, not just quote to us. I just haven't heard about this thing. You must have had some experience with this thing. What actually happened? Don't just quote the Department, but tell us what actually happened. Tell us how it worked. I do not understand it.

Mr. BUDGE. The tabulation——

Mr. POAGE. Don't give us the tabulation. Just tell us what happens when I send my cattle, if I send them to Boise, Idaho, what happens. How do I get caught on this deal? I never got caught on it in Abilene, Tex.

Mr. BUDGE. Suppose you did ship your cattle to an auction yard in Texas, Idaho, Colorado, or any place else, and a packer who was not in a good financial position but certainly the shipper has no means of knowing that.

The packer buys that shipment of cattle from the auction yard. Then he fails to make payment. Your shipper may be three or four hundred miles, maybe a thousand miles away. He has no means of dealing with this particular individual. It isn't like a man running a hat store and he cashes a bum check for a man that buys a hat.

This shipper is a long ways away. If the amount is not paid for——

Mr. POAGE. Wait a minute. I don't get my check from that packer. I get my check from the operator of the yard or the commission man to whom I send the cattle.

Mr. BUDGE. All right. What happens if your auction yard or your commission man has to absorb that loss? Then he must of necessity charge that to his cost of operating that yard.

Mr. POAGE. All right.

Mr. BUDGE. That cost is ultimately borne by the producer.

Mr. POAGE. I follow that. Let us assume that this local packer in Boise, Idaho, has failed to pay for the cattle that he bought from our

good friend, that fellow if he is to remain a packer has to buy more cattle the next day.

Where is he going to buy them? Go over to Spokane, Wash., and buy them?

Mr. BUDGE. He may be out of business and unable to pay. That is the situation I am trying to cover.

Mr. POAGE. That is exactly the point I am getting at.

Mr. BUDGE. He might have bought a lot of cattle in the next 6 months and not be able to keep up his current payments on them.

Mr. POAGE. You mean these auction rings and yards let the packers get behind with them?

Mr. BUDGE. I don't think that they would have too much control over them.

Mr. POAGE. In the first place, they don't have to let them move ahead and start out of the yard until they are paid; do they?

Mr. BUDGE. They are covered by bond, of course. All of the large stockyards are covered by bond.

Mr. POAGE. I understand that. The bond runs to the producer of the cattle. The bond runs for the protection of the shipper. Let us assume that I ship 10 head to Mr. McIntire's stockyard in Boise, Idaho, and Mr. Hill is the packer. I send my cattle to him. I know nothing about him. Hill comes in and bids. He bids \$150 a head for my cattle. He gets them. That is \$1,500. He gets them. Mr. McIntire sends me a check. Mr. McIntire does not have to let Hill move those cattle out of that yard until he is satisfied that he has paid.

Mr. BUDGE. It is being done.

Mr. MCINTIRE. Do I understand that this bill directly affects that? Mr. Poage is assured of his money from this yard. This bond covers the yard. Mr. Budge's bill would insure my yard money from Mr. Hill because it would require of Mr. Hill a bond that he pay his bills, too. Is that what you are getting at, Mr. Budge?

Mr. BUDGE. Yes. If the chairman would permit me I would like to read one short paragraph from the report here which I think would clarify it.

Mr. POAGE. Let us have him read the paragraph.

Mr. JOHNSON. You are going to buy from Mr. Hill. What about the farmer that wants to come to that auction and buy a couple of cattle or 2 or 3 cattle. Are you going to have to bond him?

Mr. HILL. If the chairman permits, that is the idea I have in mind. You have got State laws that cover this. Let this packer or this purchaser fail to pay and somebody files a complaint and he would be put in the jug and have to give a bond and if he could not give a pretty good bond for himself, he would be locked up in the jail for a few days.

And in Colorado or Idaho he would go straight to the pen for about 3 years. That is the law in Colorado. You cannot buy his stock and not pay for it.

Mr. JOHNSON. He would be in a position to bid at the auction and people who do not have bonds could not do it.

Mr. POAGE. Proceed, Mr. Budge.

Mr. BUDGE (reading):

So far such losses have been absorbed by the marketing agencies or dealers to whom the accounts were owed or were covered by their bonds with no resulting losses to producers. This result cannot be assured for the future without requiring appropriate bonds of packers. Many packers operating today own little,

if any, business property to which resort could be had if they failed to pay for livestock purchased.

The annual reports submitted by packers subject to the act indicates that many of them are finding it increasingly difficult to conduct their operations on a profitable basis.

The record of formal and informal action taken under authority of the act shows that the inability of selling agencies to collect from packers for livestock purchased constitutes a major risk in operating such an agency.

Without packer bonds these risks will be reflected back to livestock producers in the form of increased marketing costs and in some instances loss of proceeds of sales.

I would repeat that it was the feeling of the Department of Agriculture, that these 2,600 packers were covered under the law until the decision of the United States circuit court of appeals which held that they were not.

And this tabulation which is placed in the record with the consent of the chairman, lists a number of individual situations where either the selling agency or the dealer has lost substantial funds, and I might say, Mr. Hill, that there is at least one instance in the State of Colorado.

Mr. HILL. I will guarantee the man that wrote the short check is serving time in the pen.

Mr. BUDGE. People write short checks for everything.

Mr. HILL. That is right and they go to the pen every time you get hold of them. I don't know of a single judge in Colorado that writes a short check. You better not visit Colorado if you are going to write short checks for your vacation.

Mr. BUDGE. The average individual has an opportunity to protect himself against the check writers. The man who ships the produce several hundred miles does not have that same discretion.

Mr. POAGE. I wanted to see how the packers were able to do that.

Mr. BUDGE. You cover all of the principal yards now. You cover about 400 now. The Department thought the other 2,600 were covered but they are not. If there is reason for the bond in one instance, there is reason for the bond in the other.

Mr. McINTIRE. When was this circuit court opinion rendered, what time?

Mr. PETTUS. In the 1920's. I forget the exact date.

Mr. McINTIRE. Since that time there has been no administrative authority by which you could require the packers to provide a bond. Are there packers who provided the bond even though there was not a regulation which could be enforced requiring them to do so?

Mr. PETTUS. They do not file a bond with us.

Mr. McINTIRE. This would require a packer to file a bond.

You refer to the 2,600 here. It would require every packer in the country, regardless of size, to post a bond with the Department of Agriculture.

Mr. PETTUS. It would require all packers under this act to qualify according to the definition of this act to file a bond. A small butcher—a local butcher may not qualify for this.

Mr. POAGE. These 400 yards that you suggest, how about these 400 yards that are covered, are those terminal markets?

Mr. BUDGE. The terminal markets plus the auction yards.

Mr. POAGE. Plus the posted auction yards. How do you get to those that are not posted? How do you enforce anything on a non-posted yard?

Mr. PETTUS. You would do that through your control of the packers.

That is what this is intended to do. You would require the packer to provide a bond for his purchases at nonposted yards.

Mr. POAGE. How do you do it? You do not have control over that nonposted yard.

Mr. PETTUS. I have control of the packer. The packer is required by the act if it is amended this way to furnish this bond.

Mr. POAGE. Wait a minute. You have control over the packer who goes onto an unposted yard?

Mr. PETTUS. Yes, sir.

Mr. POAGE. You do?

Mr. PETTUS. Yes.

Mr. POAGE. Theoretically, you have control over all of the auction yards now.

Mr. PETTUS. All those who are of a certain size, and are in interstate commerce.

Mr. POAGE. You do not have it actually because some of them are not posted.

Mr. PETTUS. That is right.

Mr. POAGE. There are only 400 and some posted yards.

Mr. PETTUS. I believe at the present time we have 427 posted yards.

Mr. POAGE. There are many other yards in the United States, of more than 20,000 square feet that are not posted.

Mr. PETTUS. That is right.

Mr. McINTIRE. I am not familiar with the details of the Packers and Stockyards Act, but is there criteria already in the act which would define the packers that would be subject to this amendment?

Mr. PETTUS. Yes; there is a definition on "packer."

Mr. POAGE. Mr. Pettus, you have a statement on this that you wanted to make?

Mr. PETTUS. Yes, sir.

Mr. POAGE. Proceed.

You did not have anything further?

Mr. BUDGE. I would like to make this statement since this seems to be somewhat in the realm of confusion; I would ask permission of the Chair to insert in the record at this point, Senate Report No. 842, of the 83d Congress.

Mr. POAGE. I don't think it is our practice to insert reports. They are just as available to Members as our own reports are, and consequently it is sort of duplication.

It is not that we object to having the information there.

Mr. BUDGE. I just wanted to call the Chair's and the committee's attention to the existence of that report.

Mr. POAGE. Yes; we appreciate that. We will bear that in mind.

Mr. BUDGE. Thank you, Mr. Chairman.

Mr. POAGE. Thank you.

H. R. 2139

Mr. PETTUS. I am glad to appear before this committee in connection with your consideration of H. R. 2139 and to discuss the need for requiring bonds from meatpackers purchasing livestock in commerce.

The great bulk of the more than \$8 billion worth of livestock sold in the country each year is purchased by the members of the meatpacking industry.

For this reason, the financial stability of this industry is of particular importance to nearly every American farmer and rancher.

Meatpackers at one time purchased practically all of their supplies through the large terminal stockyards, but in the last 20 years they have purchased an increasingly large percentage of their needs direct from the producer and at auction markets.

All of these packers that purchase livestock in commerce or sell their products in commerce are subject to the provisions of the Packers and Stockyards Act.

There are approximately 2,000 meatpackers in this category of which approximately 1,300 purchase livestock for slaughter.

At this time the act does not require that these packers be bonded and the Secretary's authority in the event a meatpacker fails to pay for livestock is limited to the issuance of a cease-and-desist order.

The Packers and Stockyards Act, as originally passed in 1921, did not authorize the Secretary of Agriculture to require bonds from persons subject to the act to assure performance of the financial obligations they incurred in operating at the posted markets.

However, experience in the first few years of administration of the act demonstrated that, in order to assure prompt payment of net proceeds of sales to livestock producers patronizing public markets, it was desirable to require bonds of both commission firms and dealers.

This authority was given to the Secretary in 1924 and annually each year until 1944, when this authority was made permanent.

The total of bonds now on file with the Department by market agencies and dealers is approximately \$48 million. These bonds have played an important part in maintaining the financial stability of the livestock marketing industry over a period of more than 30 years.

During this period, almost no losses have been suffered by livestock producers patronizing federally posted livestock markets.

However, in recent years there have been several instances in which market agencies and dealers subject to the act have incurred sizable losses due to failure of certain packers to pay for livestock purchased at markets supervised under the act.

Up to the present time, such losses have been absorbed by the market agencies and dealers to whom the accounts were owed, or, in event the registrant was unable to absorb the loss, they have been covered by the bonds the registrants have been required to maintain so that producers of livestock have suffered no loss of proceeds.

I might add, only of the posted market. There have been losses at nonposted markets which we can advise you of and as has previously been reported to Congress.

The Department has not maintained a complete record of losses by registered agencies and dealers due to the failure of packers to pay for livestock purchased from them.

However, such information as we have available indicates that these losses since the end of World War II would total in excess of a million and a half dollars.

The Department has little information on the losses incurred by producers in selling livestock direct but the limited information available indicates that in several cases the losses to producers were substantial.

H. R. 2139 would require all meat packers subject to the act to furnish bonds to cover their obligations for livestock purchased in the same manner that market agency and dealer registrants are required to furnish bond coverage.

Since the great majority of livestock producers sell their livestock through posted stockyards or direct to the interstate meatpackers, the requirement that meatpackers furnish bonds to cover their obligations for livestock purchases will substantially broaden the financial protection provided by the act to livestock producers.

If the premium rate on bonds required of packers would be no more than that paid by market agencies and dealers, such bond coverage would cost \$5 per thousand.

It is estimated that 75 percent of the packers purchasing livestock in commerce would not be required to provide a bond in excess of \$25,000 at an annual premium cost of \$125.

Under the formula used for computing bond coverage for registrants, a packer purchasing \$100 million worth of livestock would be required to furnish a bond of \$122,000 at a cost of \$610.

Mr. POAGE. In other words, you would require Swift, Armour, and those companies to spend \$600 and require small packers to spend \$120?

Mr. PETTUS. The amount would depend, sir, upon the volume of business that they do.

Mr. POAGE. No one except the large packers would buy \$100 million worth of livestock. Nobody in my district would buy that much.

Mr. PETTUS. Certainly some of the intermediate packers spend that much for livestock.

Mr. POAGE. Horinel, and Morrell, and those. But only those large packers would spend the \$600 and the small ones would spend \$125. He would spend on down to as low as \$25 depending on his size.

Mr. HOEVEN. You have had the Packers and Stockyards Act now since 1921. Has there ever been a request for legislation of this nature before?

Mr. PETTUS. Yes, sir.

Mr. HOEVEN. What happened to it?

Mr. PETTUS. It did not pass, sir.

Mr. HOEVEN. Was it ever passed out of committee in either House?

Mr. PETTUS. Yes, sir; it was reported out of the Senate, I believe, a few years ago.

Mr. HOEVEN. Have there been recent developments which have brought about the matter to bring it up at this time? I would like to know in what manner—have these packers become financially insolvent—is that the main reason?

Mr. PETTUS. That is the main purpose for this. It is those that go into receivership and take the bankrupt law route or are out of business.

Mr. HOEVEN. Not cases that arise by virtue of an agreement as to the type of stock purchased and payments held up. Usually financial difficulties?

Mr. PETTUS. That is not the primary purpose here.

Mr. HOEVEN. You are trying to protect the producers by seeing to it that the livestock is paid for?

Mr. PETTUS. That is right. I might point out that the main accomplishment of this act would be to protect the large volume of livestock that does not move through posted yards.

We have a substantial protection at posted yards now, but there is no protection given where the producer sells direct, or at an auction, or a small yard which is not posted and a great deal of livestock moves through these purchasing stations and direct from the farms.

Mr. POAGE. Mr. Jennings wants to ask a question.

Mr. JENNINGS. Does the State require in any case a bond to be posted on these smaller markets such as required by the Federal Government in the federally posted markets?

Mr. PETTUS. I cannot answer the extent to which that is done. It is my impression that it is not generally done.

Mr. JENNINGS. In that event then the producer suffers the loss, is that it; the seller, so to say?

Mr. PETTUS. If the packer does not pay the yard, and the yard does not pay the producer, he suffers the loss. In some cases the yard protects the producer where he can, for it is a matter of good business practice. But he is not obligated to do so under the act unless his place is posted. And then only to the limit of his bond does he necessarily protect them.

Mr. JENNINGS. You are not familiar with the requirements of the States in that respect?

Mr. PETTUS. Not of all of the individual States, no, sir.

Mr. JENNINGS. Do some States require that a bond be posted?

Mr. PETTUS. Yes, sir, some of them do.

Mr. JENNINGS. Do the majority of them require it; or what protection, if any, is afforded?

Mr. PETTUS. I think it is a fairly small minority. That is my opinion, sir. I don't know the actual number.

Mr. JENNINGS. At present you agree with the provisions of the Stockyard Act that requires that they be posted, is that correct?

Mr. PETTUS. That is correct, with this explanation, sir: We are not permitted to bond packers even on a posted market. We are only permitted to bond the registrants, the dealers and the commission firms.

Mr. JENNINGS. As I understand in the present bill you would be?

Mr. PETTUS. That is correct.

Mr. JENNINGS. Then I assume that under the federally posted markets, it is for the smaller—I won't say necessarily the smaller, but for the nonenforced markets. It would be a good thing.

Mr. PETTUS. We think it would be, sir.

Mr. POAGE. If I understood you correctly, you said that some of these yards protected the shipper to the extent of the bond—that it only went so far as the bond went.

Mr. PETTUS. I may have misstated it. They protect the shippers to the extent of the assets that they have, plus the bond.

Mr. POAGE. Are there any questions of Mr. Pettus?

We have a letter from Mr. Bond of the American Meat Institute, suggesting that they didn't have adequate time to present their views and hoping that they could have an opportunity to do so in the future.

Without objection I will make that letter a part of the record and the committee will decide what we will do about holding further hearings.

(The letter is as follows:)

AMERICAN MEAT INSTITUTE,
Washington, D. C., May 13, 1957.

Congressman W. R. POAGE,

Chairman, Livestock and Feed Grains Subcommittee,
House Agriculture Committee, Washington, D. C.

DEAR CONGRESSMAN POAGE: The American Meat Institute desires to file a statement re H. R. 2139, the packer bonding bill, and perhaps re H. R. 188, bill to limit fluctuations of daily livestock prices.

Because of the suddenness of which the hearings were called, the institute is not in the position to testify on Monday, May 13. Therefore, it is requested that additional time be allowed and that the subject of bonding be kept open until the American Meat Institute has had an opportunity to express its views.

Sincerely yours,

A. DEWEY BOND.

Mr. POAGE. I understand Mr. John Baker of the National Farmers Union wants to make a statement on this bill. Is that right?

Mr. JOHN BAKER. Not on this bill.

Mr. POAGE. You do not care to be heard on this bill?

Mr. BAKER. Not on this bill.

Mr. POAGE. Is there anyone else to be heard on this bill?

If not, we are very much obliged to you. And the committee will consider it further in executive session.

We have three bills by members of this committee. All three members are present.

H. R. 5857, by Mr. Albert of Oklahoma; and H. R. 2871, which was introduced by Mr. Jennings of Virginia, and I believe those bills are identical; and H. R. 3984 by Mr. Johnson of Wisconsin. I believe that bill differs somewhat. You just want to go into that.

(H. R. 5857, H. R. 2871, H. R. 3984, and H. R. 5497 are as follows:)

[H. R. 5857, 85th Cong., 1st sess.]

A BILL To amend the Soil Bank Act to permit grazing land to be included in the conservation reserve program

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 107 (a) (1) of the Soil Bank Act is amended by inserting immediately before the period at the end thereof the following: "or as grazing land".

(b) Section 107 (a) (4) of such Act is amended by inserting after "any acreage" the following: "(other than acreage referred to in paragraph (8))".

(c) Section 107 (a) of such Act is amended by adding at the end thereof the following new paragraph:

"(8) In the case of acreage which had been regularly used as grazing land, to reduce the number of head of cattle grazed on such acreage below the unit carrying capacity for such acreage (approved by the Secretary under the Soil Conservation and Domestic Allotment Act) by from 10 to 25 per centum, as may be provided in the contract."

SEC. 2. Section 107 (b) (2) of the Soil Bank Act is amended (1) by striking out "The rate or rates" and inserting in lieu thereof "Except as provided in the last sentence of this paragraph, the rate or rates" and (2) by adding at the end thereof the following new sentence: "The rate of the payment to be provided for in contracts to which paragraph (8) of subsection (a) of this section applies shall be equal to \$25 for each head of cattle by which the Secretary determines the production of cattle on such acreage has been reduced below the unit carrying capacity for such acreage (approved by the Secretary under the Soil Conservation and Domestic Allotment Act); except that no such payment to any one individual shall exceed \$25,000."

SEC. 3. Section 108 of the Soil Bank Act is amended by adding at the end thereof the following new subsection:

"(d) Notwithstanding subsection (a), in determining the national conservation reserve goal, the Secretary shall include sufficient acreage which has here-

tofore been regularly used as grazing land to insure that the application of paragraph (8) of subsection (a) and the last sentence of subsection (b) to such acreage will result by 1960 in a reduction of two million in the number of cattle on ranches and farms."

SEC. 4. Section 109 (c) of the Soil Bank Act is amended by striking out "\$450,000,000" and inserting in lieu thereof "\$700,000,000".

[H. R. 2871, 85th Cong., 1st sess.]

A BILL To amend the Soil Bank Act so as to include grazing land in the Soil Bank program

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Soil Bank Act is amended—

(a) by inserting after the second sentence of section 103 (a) the following: "In addition to the foregoing, the Secretary is authorized and directed to formulate and carry out during the period ending June 30, 1960, an acreage reserve program for grazing lands under which farmers or ranchers will be compensated for reducing their acreage of grazing lands and making a corresponding reduction in livestock numbers below a representative period designated by the Secretary. Such program shall be formulated in such a manner as to make it possible, in conjunction with the conservation reserve program, to retire entire farming or ranching units from production. All the provisions of this title not inconsistent therewith shall apply to the grazing lands acreage reserve program."

(b) by amending the first sentence of section 105 (c) to read: "The total compensation paid producers for participating in the acreage reserve program with respect to any year's program shall not exceed \$780,000,000, and with respect to any commodity for any year shall not exceed the amount shown below: Wheat, \$375,000,000; cotton, \$300,000,000; corn in the commercial corn-producing area, \$300,000,000; peanuts, \$7,000,000; rice, \$23,000,000; tobacco \$45,000,000; and grazing, \$50,000,000."

(c) by striking out the period at the end of paragraph (a) (1) of section 107 and inserting: "or the grazing of livestock."

[H. R. 3984, 85th Cong., 1st sess.]

A BILL To amend the Soil Bank Act so as to include pasture lands in the soil bank program

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection 107 (a) (1) of the Soil Bank Act is amended to read as follows: "To establish and maintain for the contract period protective vegetative cover (including but not limited to grass and trees), water storage facilities, or other soil-, water-, wildlife-, or forest-conserving uses on a specifically designated acreage of land on the farm regularly used as pasture or in the production of crops (including crops such as tame hay, alfalfa, and clovers, which do not require annual tillage)."

SEC. 2. Section 107 of the Soil Bank Act is amended by adding the following new subsection:

"(e) Notwithstanding any other provision of this Act, the Secretary is authorized and directed to formulate and announce a program under this subtitle B for pasture and hay lands and to enter into contracts thereunder with producers which contracts may be for minimum terms of one year, shall prohibit grazing of the contract acres except pursuant to the provisions of section 103 (a) hereof, and may treat pasture land left idle as land established and maintained in vegetative cover. The program formulated by the Secretary shall permit placing entire farming units in the conservation reserve program of the Soil Bank Act."

SEC. 3. Subsection 109 (c) of the Soil Bank Act is amended to read as follows: "In carrying out the conservation reserve program, the Secretary shall not enter into contracts with producers which would require payments to producers, including the cost of materials and services, in excess of \$550,000,000 in any calendar year."

[H. R. 5497, 85th. Cong., 1st. sess.]

A BILL To amend the Watershed Protection and Flood Prevention Act

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4 (2) (A) of the Watershed Protection and Flood Prevention Act (Public Law 1018, Eighty-fourth Congress) be amended by inserting immediately after "and disposal of water," the following: "or for recreational and fish and wildlife development."

Mr. ALBERT. I have an earlier bill.

Mr. POAGE. Mr. Albert of Oklahoma offered an amendment to the soil bank bill when we had the bill up for consideration. It has been generally known as the Albert amendment.

Mr. JOHNSON. The only thing I wanted to say is that the Albert bill does not take in the dairy area. And if the committee is going to consider that legislation, I wanted it to also consider legislation as to how it would affect the dairy industry in regard to grazing.

And it is my hope that the committee will come out with some special legislation on grazing.

Mr. POAGE. We will hear all three of these bills at this time.

Mr. ALBERT. May I offer a suggestion at this stage? We have adverse reports on these bills or exceptions from the Department of Agriculture, plus another bill on which we got a report this morning, the meat purchase bill.

And that has been adversely reported. In view of the Department's report on the bills and of the fact that there are various points to be considered, including those in the Johnson bill and others, it is evident to me that these bills should not be reported, that we ought to study these bills and decide whether we can make any progress on it at all.

That is my suggestion.

Mr. POAGE. That is what we are trying to do this morning.

Mr. ALBERT. All reports so far have been entirely negative.

Mr. JENNINGS. Will you yield there right for a minute?

Mr. POAGE. Let me find this out. We have the authors of these bills here. Do you want to be heard? Mr. Albert, do you want to be heard?

Mr. ALBERT. No.

Mr. POAGE. Do you want to be heard?

Mr. JENNINGS. I have already been heard on this particular bill. The Department has already been heard and they opposed it. I see no reason for going into that again.

The only thing is that I would like to hear the Department first.

Mr. JOHNSON. I felt the same way.

Mr. POAGE. Then we will be glad to hear them, maybe reversing the procedure, but I think that they will all understand why we are doing it.

Mr. Doggett from the Department.

STATEMENT OF HOWARD J. DOGGETT, SOIL BANK DIVISION, DEPARTMENT OF AGRICULTURE; ACCOMPANIED BY KENNETH L. SCOTT, DIRECTOR OF AGRICULTURE CREDIT SERVICES, DEPARTMENT OF AGRICULTURE

Mr. DOGGETT. Mr. Chairman, may I say that Mr. McLain intended to be here this morning, but some matters came up and he felt that he could not possibly attend.

While I have a statement, after listening to you gentlemen perhaps I could shorten this thing up a bit by saying that the Department, I think, generally feels that it has sufficient legislation on this subject to at least operate for a time.

And perhaps we could do better by simply submitting to questions from you gentlemen here as to what you have in mind with these other types.

Now, 8525 is on this same subject, and we are trying to get that into operation, hope to have it into operation—in what, 2 weeks?

Mr. SCOTT. Yes. We have to have——

Mr. POAGE. Of course, 8525 relates to only the disaster areas. These bills all are of general application, as I understand it. And as I understand, these bills actually make this practice a part of the soil bank. Isn't that right?

Mr. JENNINGS. That is correct; and let me point out one reason, if I might, Mr. Chairman.

The farmers in our section carry on a balanced operation, balanced with their grazing land to their cropland and to the livestock production. If you cut down on the grain land and do not cut down on the pasture land, you throw the entire operation out of balance. As a result, very few are permitted to participate, either under the acreage or the conservation reserve, for that reason.

In addition to that, very few of them are under allotments for the basic crops. So therefore they are not permitted to participate in the soil bank at all, and this would merely permit those farmers to participate in the soil bank by placing their grazing land into the soil bank.

In addition to that, a farmer might be able to put practically all of his farming operation into the soil bank, other than his grazing land. This would permit him to put the entire ranch or farm operation into the soil bank and thereby reduce the surplus.

Now, that is what this is aimed at primarily.

Mr. POAGE. I think there is a big difference in the objective of these bills and the deferred grazing bill, because the deferred grazing bill, certainly from my standpoint, was intended to meet a specific disaster condition that exists in a definite area today. It is trying to bring back a grazing condition which isn't there today, and which we hope will be there in a few years hence, if we take care of that soil during the next 2 or 3 years.

Whereas, these bills are permanent, seeking to establish a policy of bringing sections of the country into the soil bank that are not now in the operation of the soil bank. And to that extent, I think their objectives are quite different from the emergency bill we passed here, to try to reseed a lot of the disaster country, because that reseeding is, as I visualized it, much more akin to the regular soil conservation practices, and intended to be a soil conservation practice rather than a practice to try to reduce anything. The drought bill was not intended to reduce anything in the way of production.

These bills are intended, over a period of years, to actually limit production, as I understand it.

Mr. JENNINGS. I might add, Mr. Chairman, that this expires June 30, 1960, along with the rest of the soil bank.

Mr. JOHNSON. As I understand the law, even under the conservation acreage reserve, pastureland does not go under the present rulings of the Secretary. And my idea in introducing this legislation was that if we are going to reduce the milk supply, pasturelands should be included as it would cut down the number of cows and in that way we reduce the surplus in milk. That is the idea I had in mind in introducing this legislation.

And the main difference between my legislation and that of Mr. Albert's—and I am not sure about Mr. Jennings'—is that mine comes under the conservation acreage reserve, where I think theirs is under the acreage reserve.

Mr. ALBERT. Mr. Chairman?

Mr. POAGE. Yes, Mr. Albert.

Mr. ALBERT. I previously introduced H. R. 2771, on which the Department reported on March 21, 1957. Thereafter we had hearings on this, and the Oklahoma Cattlemen's Association was represented by Mr. Ferguson, a former member of this committee, and at his recommendation I reintroduced this bill and it is now in the form of H. R. 5857.

I would like to ask the Department representatives whether H. R. 5857 is also objected to. I do not think we have a specific report on that.

Mr. DOGGETT. I think I could say that—I do not have 5857 before me.

Mr. ALBERT. Here is a copy.

(A document was handed to Mr. Doggett.)

Mr. ALBERT. Would you have the same objections to this bill, substantially, that you would to H. R. 2771?

Mr. DOGGETT. I think, in general, that would be the position of the Department, Congressman.

Mr. ALBERT. Well, now, can you take either of these bills, 2771 or 5857, and suggest any change that would make the bills acceptable to you?

Mr. DOGGETT. Well, these pose some great administrative problems, as you know, Congressman.

Mr. ALBERT. Well, any soil bank program poses great administrative problems.

Mr. DOGGETT. Yes, but we do have some figures on land, where we have little or none on livestock, in numbers and carrying capacities, and things of that kind, which could come into this type of legislation.

Mr. ALBERT. Well, we could get the figures, couldn't we? I mean, if the principle is all right, the statistical part is something that we can take care of.

Now, I am trying to find out whether there is any way that the cattlemen of this country, who live side by side with the farmers, can participate in the same kind of programs that their farmer neighbors can participate in, or whether the Department says there is no such thing.

Mr. SCOTT. Mr. Chairman?

Mr. POAGE. Mr. Scott.

Mr. SCOTT. Mr. Chairman, I have not studied this bill carefully. I have been working on this new act, the Public Law 8525, to which you referred, and I thought perhaps you might in the course of this hearing wish to have some questions answered, and discussion of that.

Mr. POAGE. Well, we would very much like to, but I would like to first get to this—

Mr. SCOTT. I offer that merely as an explanation as to my main purpose for being here.

The extent to which the livestock would be moved, Congressman, has posed to us a very serious problem. As I understand it, your bill would provide opportunities at least for a rather substantial reduc-

tion in the number of livestock, and just where that livestock might go and just what the effect that might have on general market prices is a thing that has raised some rather serious questions in our mind.

Mr. ALBERT. Well, now, you have attacked every one of these, and although I am not going to hold that my bill is a model of legislative draftsmanship, although we put in quite a bit of time on it, everything you said about this bill is couched in the most general language. It does not give the committee any way of deciding specifically what is wrong with this bill.

Now, you say that it will cause difficulty in connection with the disposition of livestock. Well, I would like to know just exactly what the details of that are, so as to find out whether it is an insurmountable objection, or whether it is something that might be worked out.

We have disposed of a lot of surplus commodities that have been in the hands of the Commodity Credit Corporation, and we are still spending a lot of money on the soil bank and still getting large volumes of all these commodities in the soil-bank program. We have not solved anything with that.

If there is anything that has not solved anything, it is the soil bank, from what I know about it, on the crops.

So I would like to know whether this bill can be amended in any way to meet the objections of the Department.

Mr. SCOTT. Mr. Albert, if it would be helpful to you and meet your viewpoint, we would be glad to get the folks in the Department who have a background in dealing with the problems and issues that are involved, in your bill, meet with you immediately.

Mr. ALBERT. I would like to meet with them.

Mr. SCOTT (continuing). And see what constructive suggestions we could make to you.

Mr. ALBERT. Because here is what we are getting at: Now, you have said in here these amendments would create practically insoluble administrative problems, especially when applied to the rugged mountainous range areas.

Well, you do not suggest that there is any way to eliminate that, and there might. It might be that you would not want to include the mountainous range area.

I am not saying you would not want to, because I want to hear from the people who live out there, but what I am trying to get at is something specific that this committee can get down to, and decide whether it wants to get into this field or not.

Then you say the livestock carrying capacity of some so-called range grazing lands varies so widely within even relatively short distances that the determination of standard carrying capacities or normals would be extremely difficult for purposes of computing payments under the bill's provisions.

Well, that is also true under the deferred grazing plan. There is a wide variety of land in the disaster areas.

Mr. POAGE. It is not any more true of any particular grazing land.

Mr. ALBERT. It is true of all land.

Mr. POAGE. Sure it is.

Mr. SCOTT. Mr. Albert, as I said, we would be glad to meet with you and other members of the committee who have similar bills, and get the best talent we have, at just the earliest date that will meet your convenience, and sit down and seriously try to work out something.

If we have any suggestions, we would be delighted to offer them.

Mr. JENNINGS. Would the gentleman yield there?

While I have introduced this legislation, 2871, I feel, as Mr. Albert feels, that that is not the last word in the legislative draft. I heard the testimony of the Oklahoma Cattlemen's Association which resulted in his introduction of 5857, and I would agree with that.

However, I am not wed to either of these plans if we can come up with something that will be acceptable to the Department, that Mr. Benson will accept and administer. I am certainly willing to sit down and try to work out something that will give our ranchers and grazing people an opportunity to participate in the soil bank, along with their other farming operations.

I thought that was what we were going to do this morning. I thought that perhaps the Department was here ready to make a report on 5857 and 2871. While they have rendered a report on 2781, which is similar to your first bill, Mr. Albert, I believe we have not heard them testify on that particular bill—or did Mr. McLain testify here at one time on that?

Mr. ALBERT. No.

Mr. JENNINGS. We have a report on that, but we do not have a report on 5857. I think the sooner we can get that report, the better off we will all be.

Mr. ALBERT. I think the way to do it is as Mr. Scott suggested, that the few who are interested in it informally, later in the month meet with some of your representatives and see if we can work out something.

Mr. POAGE. I recognize Mr. Hill.

Mr. HILL. Mr. Albert and I were discussing this bill a while ago, and this is too important a piece of legislation to act on quickly. We cannot do it in this committee at this time, and I would suggest by all means that we take some time and carefully go into this pasture-grass program, because, to me, this is one of the most important pieces of legislation that we could possibly pass. And, in my personal opinion, if you can apply it to the soil bank in the proper method, you really can support such type of legislation as Mr. Albert's bill.

I do not think there is any question about it. It is a question of arranging the legislation in such a way that we can work it out successfully.

Mr. JOHNSON. I believe I might say this: The chairman of the committee asked for a report on my legislation, H. R. 3984, and I do not believe there is any report of any kind on this legislation.

Many of the objections that you have to the grazing bill of Mr. Albert's would not apply to the type used for pastureland in the dairy area.

Mr. POAGE. Well, don't you think, Mr. Johnson, that if we can get things working, like Mr. Scott suggested here, that that is the way to work it out? I am very delighted to find the Department is willing to help us work it out, because I think once we get over the big hurdle of just general objections to anything in relation to grazing land, we can work out the details.

Mr. JOHNSON. I just wanted to be sure they did not forget the dairy farmer and just concentrate on the grazing land down in the Southwest and up in Colorado.

Mr. POAGE. They should not forget the dairy farmer, and I do not think you will let them forget the dairy farmer.

Mr. JOHNSON. I just thought the whole legislation could be taken care of in one package.

Mr. POAGE. That is right; that is exactly what I think.

Mr. ALBERT. I think the dairy farmer has done as well as the beef farmer in the Department of Agriculture.

Mr. POAGE. We all know we face a situation in which our programs have resulted in taking crops out of production, but at the same time continue to increase the grassland production of the United States. We thought there was merit in that sort of thing, but we know that we can destroy another great industry by pushing it too far, and we have to keep a proper balance.

I am glad the Department is recognizing that. I had fears that the Department was taking the position simply that they were opposed to doing anything about grassland.

Mr. JOHNSON. I am afraid they are.

Mr. POAGE. I understand that is what they are not doing. They are willing, at least, to attempt to write a bill.

Mr. ALBERT. I think that is the best way to proceed.

Mr. POAGE. With that assurance, I think that we will ask Mr. Albert, Mr. Johnson, Mr. Jennings, and anyone else who wants to——

Mr. HILL. You better put a Republican on this.

Mr. POAGE. And I include Mr. Hill.

Mr. HILL. You better put one of us on.

Mr. POAGE. I know we should. I will include Mr. Hill and Mr. McIntire on that. And those gentlemen will meet with the Department and try to draft a bill, and report back to the subcommittee at a later date.

Mr. ALBERT. And this will be just an informal group for the purpose of trying to see whether a draft can be arrived at.

Mr. POAGE. Mr. McIntire.

Mr. MCINTIRE. Well, Mr. Doggett is here. Has anything been reported on H. R. 6325, which I introduced?

Mr. DOGGETT. Is that the one placing the potatoes——

Mr. MCINTIRE. No. This is one in relation to broadening the language dealing with your 3-year use on conservation reserve, running that over for tree planting. The amendment would be to maintain trees for the contract period on the specifically designated acreage of land once used in the production of such crops as——there is no report on that?

Mrs. DOWNEY. Mr. Coffin had an exact bill, and we asked for a report on that bill on March 26.

Mr. SCOTT. May I have that number again, Congressman McIntire?

Mr. MCINTIRE. Yes. The number of my bill is 6325, introduced on the 25th of March.

Mr. SCOTT. We will be glad to check on that and get a report up to you.

Mr. MCINTIRE. I think, Mr. Chairman, that perhaps, at least to the extent that the intent of this bill is within this whole area of conservation reserve and acreage reserve, it might be given some consideration and discussion.

Mr. POAGE. Maybe they will want to discuss it at the same time——

Mr. SCOTT. Mr. Chairman, may I come back to this meeting we discussed?

I would like to make it clear that what I was suggesting was drafting service. I am sure you appreciate that I am not committing the Department to any position they might take. We promise you we will get our best-qualified people, sit down with you and do the best job we can in drafting service.

Mr. JOHNSON. They will have some idea of what the Department will go for before they come up to help us draft it, will they not?

Mr. SCOTT. Well, I am thinking of the technical people, largely. That is our usual method of providing drafting service. We will give you the very best we can.

Mr. ALBERT. What we want is to get rid of all technical objections. Now, the policy matter, of course, you are not going to decide on until the bill is reported on. That was my understanding.

Mr. POAGE. Well, I think we might right now get the policy of the Department before us, and it might be helpful to you all in working this thing out.

Maybe you would like to give us the policy of the Department as it relates to grazing land, because, obviously if we get our policy decision, and if it is to oppose any kind of grazing-land legislation, then it does not make any difference what you draft if you cannot get this support, although I think we would still like to get all of this worked out——

Mr. JOHNSON. That is what I was thinking of.

Mr. POAGE. I think we would still like to get this worked out from the detail point as well as we could. However, the committee would like to know now if there is a policy on that.

I recognize you would want to review this, you would not want to give a commitment to support a bill if you have never seen the bill. However, is it the policy of the Department now—do you feel it would be unwise to have any kind of payments for retiring grazing land?

If so, I think that places us in one position. If there might be a way whereby you might support it, that places us in a different position.

Mr. SCOTT. Mr. Chairman, the policy discussions I have heard and taken part in have related to the rangeland that you referred to earlier, and which is covered by Public Law 8525. The Secretary has, as you know, stated on different occasions that he wants to make the utmost use of the soil-bank legislation, to see what benefits can be obtained under that law.

Now, frankly, I have not heard this particular type of grazing deferment discussed policywise.

Mr. POAGE. Well, it was discussed last year, because at that time Mr. Albert offered what was known as the Albert amendment to the original soil-bank bill, and at that time there was a discussion on the part of the Department as to the policy; not as to the details of it all, but as to the request of whether we wanted to include rangelands, whether we wanted to extend the same benefits to the man who made his living raising grass as to the man who made his living by raising cultivated crops.

At that time it was my understanding that the Department did not want to. But there have been many changes in the picture since that

time. In fact, the Secretary himself has stated there are a lot of changes.

Mr. ALBERT. Mr. Scott, could you state that the Department, regardless of how much the bill might be limited, regardless of limitations that might be placed on the bill, is or is not opposed as a matter of policy?

Mr. SCOTT. Mr. Albert, I can assure you the Secretary has told us to be of every possible help in drafting and advisory service, which I have offered to you. And I know I am on safe ground in telling you we will give you the very best help we can with your bills, and beyond that I am reluctant to comment.

Mr. ALBERT. He is just not ready to answer the policy question.

Mr. JENNINGS. In that connection, I wonder if we might have from the Department someone on the policy level as well as their technical help at this conference that we are going to hold. Do you think we could arrange that?

Mr. POAGE. I think we ought to have someone to talk policy, too, because, after all, there is little use in going out and getting a bill and saying we have got a bill here, technically, that is pertinent, and then having a report come up here and say it is contrary to the policy.

Mr. SCOTT. I think that can be arranged, Mr. Chairman.

Mr. POAGE. That is fine.

Mr. JOHNSON. Are you going to set a date for a hearing?

Mr. POAGE. That is up to you five gentlemen. Don't ask to set it here; you talk with these gentlemen and set it for an informal meeting.

We will pass these 3 bills with the understanding that these 5 gentlemen will work with the Department, and finally work them out.

Mr. BAKER, did you want to say something on this?

Mr. BAKER. I was going to include it in a general statement on this, yes.

Mr. POAGE. You mean, you want to make one general statement in relation to all of our bills?

Mr. BAKER. At your convenience.

Mr. POAGE. I think the next bill will probably not invoke any argument. The next bill is 6433, by Mr. Bass. There has been no report requested, and I understand Mr. Bass does not want it to be heard. We will pass that over at the present time.

The next bill is H. R. 6702, by Mr. Albert.

(H. R. 6702 is as follows:)

[H. R. 6702, 85th Cong., 1st sess.]

A BILL To provide for the purchase of certain cattle to carry out the provisions of section 32 of Public Law 320, Seventy-fourth Congress

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in carrying out section 32 of Public Law 320, Seventy-fourth Congress (7 U. S. C. 612c), the Secretary of Agriculture shall, during the fiscal years ending June 30, 1958, 1959, and 1960, utilize funds available for carrying out such section for purchasing all beef other than canner and cutter grade derived from female cattle which is offered to him for sale whenever the wholesale dressed price of such beef falls below 24 cents per pound. The Secretary shall make such rules and regulations as may be necessary to carry out this Act, including rules designed to insure that packers from whom such beef is purchased pay a price for the live cattle which is equitable in relation to the price paid for such beef.

Mr. POAGE. Do you want to discuss that?

Mr. ALBERT. Yes, Mr. Chairman.

This bill, as the committee knows, was introduced by me at the request of the Oklahoma Cattlemen's Association, and is a bill to provide an automatic purchase program based upon price.

The Department report on that just came in this morning, and I have just had a chance to read it.

As I understand the report of the Department, they object to it on the grounds principally of the automatic support price of 24 cents, whenever beef falls below 24 cents per pound.

It is the feeling of the Oklahoma people, and this has been advocated by nearly all the farm and livestock organizations in Oklahoma, including the Farmers Union—I think it originated, as far as I know, with one of the county Farm Bureau organizations. It has been advocated by the Oklahoma Cattlemen's Association, by some of the leading cattle producers of the State of Oklahoma, including former Governor Turner, and it is their feeling that if the Department will purchase female cattle whenever the price of certain specified grades of beef, dressed, is below 24 cents a pound, it will stabilize the price of beef.

I do not think there is any question but what it will stabilize the price of beef if we started doing that. And the Department's statement, which I say I have just read, to the effect that it would tend to increase herds seems to me to be offset by the fact that we are striking at the female population of the cattle.

Now, I do not see how any program which encourages the slaughtering of female cattle would tend to increase the cattle population.

Mr. Chairman, our past experiences with support programs and beef purchase programs have been that the purchase programs have not started until many people have been down and out. There was agitation long before the Secretary started his purchase programs in previous years.

Now, I do not know whether the 24 cents a pound is the right place to start or not. That is pretty cheap, it would seem to me, although the Department says that that point was reached with this type of cattle several different times last year.

But here again, I would like a recommendation from the Department of Agriculture as to whether any figure could be reached or any program could be agreed upon, or that this bill could be modified in a way to give a support program for cattle that would be acceptable to the Department of Agriculture.

That is all I have to say, Mr. Chairman.

Mr. POAGE. Thank you, Mr. Albert.

Is there anyone from the Department here to speak on this bill?

Mr. PETTUS. Yes, sir; I have a report on that.

Mr. POAGE. All right; fine.

STATEMENT OF D. M. PETTUS, ACTING DIRECTOR, LIVESTOCK DIVISION, AGRICULTURAL MARKETING SERVICE, UNITED STATES DEPARTMENT OF AGRICULTURE

I am glad to appear before this committee in connection with your consideration of H. R. 6702, a bill which would direct the Secretary of Agriculture to purchase all beef derived from female cattle other than United States Canner and Cutter grades which was offered to him whenever the wholesale price of such beef falls below 24 cents a pound.

This bill provides that the Secretary of Agriculture shall, during fiscal years 1958, 1959, and 1960, utilize funds available under section 32 of Public Law 320, 74th Congress, as amended, in carrying out the provisions of the bill and that the Secretary shall devise methods to insure that the price paid for such beef will be equitably reflected in the prices paid for live cattle.

This legislation would be a drastic departure from present legislative requirements under section 32. Under the present law, the Secretary of Agriculture may purchase at prices prevailing under surplus conditions any grade of meat. In the past the kind and grades to be purchased have been selected on the basis of achieving the maximum market assistance possible.

The enactment of this legislation would probably put the Department in the beef business whenever the price of beef at wholesale drops below 24 cents per pound at any location. On the basis of supply-demand-price conditions during 1956, under such a requirement the Department probably would have purchased around 450 million to 500 million pounds of beef.

It is difficult to estimate the cost of carrying out the provisions of a program such as this one, but a conservative estimate of the cost, under the conditions existing in 1956, of purchasing the estimated quantities would be approximately \$100 million to \$125 million.

Beef is a highly perishable product and its disposition would need to be quite prompt. A mandatory, unlimited purchase program of the type required under this legislation could present significant problems in the orderly disposal of purchases. Under current section 32 surplus removal operations, purchases are limited to the amount which would be utilized by eligible outlets and without significant impact on regular food markets.

Because of the complex nature of the cattle and beef industry and the changed nature of the product between cattle producers, slaughterers, and processors, it is not considered practical or desirable that the Secretary be required to administer such a beef-purchase program to insure that slaughterers from whom the beef was purchased would pay equitable prices for the live animals in relation to the prices received for the beef. The Department does not know of any practical way that such a requirement could be administered.

The approach in this legislation treats the symptoms but does not get down to the cause. There would be the beneficial effects of more stabilized prices for beef in the short run. However, the longer run effects also must be considered. The program would tend to be reflected in higher prices and stimulated production of the beef and dairy breeding herd. This could mean continued overproduction underwritten by Government subsidy unless regulation and controls were instituted. Also, the enactment of H. R. 6702 would provide a precedent for producers of all kinds of agricultural and nonagricultural commodities to seek similar assistance.

In view of the many disadvantages and the cost of administering a program such as that provided for in H. R. 6702, the Department is not in favor of the passage of this legislation.

Mr. POAGE. Mr. Pettus, it seems to me that this statement and the report of the Department is nothing in the world but a restatement of Mr. Benson's well-known views that you should not increase the price of anything the farmer produces, that we should seek the lowest possible level of prices for every possible commodity.

But if I understand you correctly, you admit this would tend to increase the price of beef, the price of cattle. Most of the members of this committee, I think, would like to see the price of cattle increased. I think the price of cattle has been far too low.

You say though that the great danger of this is that it might work so well that the price of cattle would go up, and that would be bad. We are told the same thing in about every case. We proposed a cotton program and we were told the price of cotton might go up, even when we fixed it so the price could not go up. We are told on everything that "we are afraid that the farmer is going to make a living as comfortable as somebody else."

I am just sick and tired of listening to the Department come up here every 2 weeks and tell us that the farmer is going to do too well if we do something. After all, that is what this committee was established for, to see that the farmers do reasonably well, and it was my impression that the Department of Agriculture was established for a somewhat similar purpose.

However, the Department of Agriculture, it seems to me, is seeing to it that the farmer does not do well. And you tell us, and not only you but there is a competent report here that came down under Mr. Morse's name and it has the same language in it, and says: "Oh, but the price might go up and the people would grow more meat."

Good Lord, what if the price goes up? Shouldn't they be encouraged to go to growing meat? And if they go to growing too much meat, under the Albert proposal we will begin killing the cows.

Mr. ALBERT. Female cows.

Mr. POAGE. Female cows—well, female cows.

Mr. ALBERT. I want to emphasize that.

Mr. POAGE. I do not know how you would increase the cattle population when you begin killing cows. That is what has been wrong with us for some time; we have been increasing our stocker herd. We have been sending steers to market, sure, but we continue to increase our stocker herd. And when you do that, then, of course, you increase your cattle population. But the Albert amendment takes care of that.

You talk about the longtime danger of the thing, the longtime result is to destroy your stocker herd. And you cannot reduce your

stocker herd without reducing your cattle population in the United States. I think that all of you folks know it, even though somebody did not know it during the OPA days. Surely they know it now.

You do not pay any attention to the fact that the basis of this thing is to get rid of cows. When you get rid of cows, you get rid of calves because you do not have any calves unless you have cows, and if you do not have any calves you do not replace your beef herd either.

You blindly ignore all the fundamentals of this suggestion that Mr. Albert makes here, and come up and tell us, "Oh, but you might do too well—these farmers might get too much for those cattle—we are just afraid it would work so well that somebody would pay his debts off."

Is that what you are afraid of?

Mr. PETTUS. No, sir.

Mr. POAGE. You do say, don't you, that it would help in the short term; you say that, don't you?

Mr. PETTUS. Yes, sir.

Mr. POAGE. Then you say your fear is that in the long term it would run the price of cattle up to such an extent that it would produce too many cattle? That is what you say, is it not?

Mr. PETTUS. We state that indirectly you might encourage the production, an overproduction, in this area.

Mr. POAGE. You say you do it by running the price up, don't you? That is the way you say you would encourage overproduction, isn't it? Isn't that what you say?

Mr. PETTUS. That is the effect of it.

Mr. POAGE. The program would tend to be reflected in higher prices?

Mr. PETTUS. Yes, sir.

Mr. POAGE. And stimulated production of beef and dairy breeding herds?

Mr. PETTUS. That is right.

Mr. ALBERT. Mr. Chairman, I have to be excused.

Mr. POAGE. Yes, I understand. Well, it is your fear it would run the price of cattle up that makes you oppose this?

Mr. PETTUS. That is one of the problems we see, Mr. Chairman. It is not the only basis, nor the main basis really, on which the Department opposes this legislation though.

Mr. POAGE. Well, it is the basis you give for opposing every proposal to increase the welfare of the farmers, that it would run the price up; isn't it? It is the same one you have opposed, as to the cotton support, or peanut support payment—you opposed them on the same ground? I mean, the Department—I do not mean you have personally, but the Department—has opposed peanut supports, payment for cotton, and all other supports on exactly the same grounds, haven't they?

Mr. PETTUS. I would rather not answer for the Department on that because I am really involved only in livestock.

Mr. POAGE. All right.

Mr. PETTUS. I am not involved in the other commodities.

Mr. POAGE. I will just say for the record, for the committee, that you have done it—the Department has done it—the Department has opposed every program I can remember that was suggested here on behalf of increasing the welfare of the farmer because they were afraid he would get too much, afraid he would do too well, he might pay his

debts, he might be a citizen of the United States on the same basis as somebody who had a job down here in Kresge's, he might be able to do pretty nearly as well.

As far as I am concerned, I want to see him do well.

Now, you suggested that we might have purchased as much as a half billion pounds of beef last year. How many female cattle would that have removed?

Mr. PETTUS. Roughly around one hundred——

Mr. POAGE. It would be 100,000 to 150,000; wouldn't it?

Mr. PETTUS. About 100,000 to 150,000?

Mr. POAGE. Yes; I think so.

Mr. PETTUS. No, sir; it would have been around 1 million.

Mr. POAGE. Yes; that is right.

Mr. PETTUS. It would be roughly 1 million to 1½ million.

Mr. POAGE. Yes; I am dropping a decimal. It would be a million to a million and a half, approximately.

Now, then, if you had done that, and reduced the cattle population by, let us say, the maximum, a million and a half, do you think it would have had a bad effect on the present situation?

Our cattle population is too large; isn't it?

Mr. PETTUS. Well, it certainly would have improved prices.

Mr. POAGE. It would have improved prices; yes. And would it have tended for a good long time to give some stability to the cattle situation? Because you could not increase your cattle as rapidly if you removed a million to a million and a half female cattle last year, could you?

Mr. PETTUS. Well, it gets a little involved, Mr. Chairman, because when we take this particular meat out of the market it may be that we have to go back into another area and send it back to the consumer, one way or the other. We have this meat to dispose of, and if we feed them this, then it may be they will not eat as much of other meat, and——

Mr. POAGE. Maybe they won't eat as much steer meat?

Mr. PETTUS. That is right.

Mr. POAGE. All right.

Now, if they do not, then what happens to our cattle population? Those steers are not producing any calves, no matter how long you keep them; are they?

Mr. PETTUS. That is correct, sir.

Mr. POAGE. But these heifers that you did not kill last year, you get about an 80 percent calf crop, and if you had a million and a half you would get something like a million and a quarter calves this year?

Mr. PETTUS. Assuming those are the cattle that you would buy. But, Mr. Chairman, these might merely have been the Government taking the same cattle that came to market, without an increase in marketing. Because the Government buys them it does not mean that you have a larger number marketed.

Mr. POAGE. You do not think there would have been any increase in marketing last year if there had been a floor of 24 cents under female cattle?

Mr. PETTUS. No, sir; I don't. No, sir; I think you might have had even less.

Mr. POAGE. I do not know how you could figure that.

Mr. PETTUS. Our experience in the 1953 purchase program was that despite the fact that we bought about 250 million pounds of meat, actually the cow herd went up.

Mr. POAGE. You bought any kind of meat then, you did not buy just female meat?

Mr. PETTUS. That is correct; we did.

Mr. POAGE. You bought old bulls, and you bought steers, and anything—you just bought meat?

Mr. PETTUS. We bought meat of certain grades.

Mr. POAGE. And you assumed there would be the same amount of meat sold in the United States. But I had some pretty good yearlings last year that I sold at 17 and 18 cents. If you had been buying cow meat at 24 cents, I certainly would not have sent those yearlings to market and taken 18 for them. I would have been selling those cows, and then this year I would not have calf trouble, would I?

Mr. PETTUS. Mr. Chairman, this 24 cents does not refer to live price, it refers to carcasses.

Mr. POAGE. Well, those cows would not bring in—at a live price last year, they were bringing about 6 and 8 cents.

Mr. PETTUS. Well, I thought perhaps you were thinking—

Mr. POAGE. I was getting matters confused, and I beg your pardon. I was referring, of course, to the 18 cents as a live price for the yearlings, and then I was using the 24-cent price there, which I should not have used.

This assures you about a 12-cent live price for those cows; doesn't it?

Mr. PETTUS. Something like that; yes, sir.

Mr. POAGE. But you would get little more than half that last year for those cows—

Mr. PETTUS. They sold at six—

Mr. POAGE (continuing). And some, I guess, brought as much as nine.

Mr. PETTUS. They may not have produced this kind of meat, though.

Mr. POAGE. If they produced above canner and cutter; they are included here?

Mr. PETTUS. Well, a great many cows produce canner and cutter. That is where a large amount of that comes from.

Mr. POAGE. That is true.

Are there any other questions?

Mr. McINTIRE. Mr. Pettus, in turning to the administrative problem of this legislation, I notice that it refers to using section 32 funds.

Mr. PETTUS. Yes, sir.

Mr. McINTIRE. Well, under the existing act, there are very specific provisions for which section 32 funds can be used. Would this basic act have to be amended in order to operate within the framework of this legislation?

Mr. PETTUS. I do not know that I can answer you exactly. I am under the impression it would not have to be, but if it were not, you would be left in the position where you might undertake a program which you could not finish because you did not have enough money to complete it.

Mr. McINTIRE. Well, there is a very definite limitation in there as to the amount of money that can be used for any one commodity.

Mr. PETTUS. Yes, sir.

Mr. McINTIRE. I am not certain, but I think the figures which you have set forth in your testimony here are over and beyond the sums of money that can be used out of section 32.

Mr. PETTUS. We could not use as much as \$125 million.

Mr. McINTIRE. No.

Mr. PETTUS. That is correct.

That is why I say, if we undertook such a program, we might run out of funds before it was completed under section 32.

Mr. McINTIRE. Now, in connection with the administrative problems of this bill, in your purchase program of past history, you have been purchasing from the packer himself, haven't you?

Mr. PETTUS. That is right, the packer, and in some instances processors who are packers, under some definition of packers—food processors have canned some of this meat which they bought from packers and sold to the Department.

Mr. McINTIRE. How would you handle the requirement under this bill to make sure that everything you purchased was from female cattle?

Mr. PETTUS. That is one of the difficult problems, but it is not an insurmountable one. We could identify the carcasses when they were first hung up, and determine if they were carcasses from female cattle. That identification could carry through.

However, it would involve considerable Government supervision of the program. It is not an impossible job from that standpoint, however.

Mr. POAGE. Thank you, Mr. Pettus. We are very much obliged to you.

I suppose that Mr. Smith is here to testify on Mr. Hill's bill?

Mrs. DOWNEY. Mr. Scott is to testify on it.

Mr. POAGE. Oh, Mr. Scott will testify.

All right, we will be glad to hear you on that matter, Mr. Scott, as to H. R. 6607.

STATEMENT OF KENNETH L. SCOTT, DIRECTOR OF AGRICULTURE CREDIT SERVICES, DEPARTMENT OF AGRICULTURE

Mr. SCOTT. Thank you, Mr. Chairman.

We have just delivered to Mrs. Downey a statement of our position on the bill. I have copies here, if you care to have them. I might read from this letter—it is very short—Mr. Chairman.

The Department favors the enactment of H. R. 6607. This bill would supersede the provisions of the Rural Rehabilitation Corporation Trust Liquidation Act, being Public Law 499 of the 81st Congress, 2d session, as applied to the assets of the Colorado Rural Rehabilitation Corp., and would provide that the Secretary of Agriculture shall return to the State of Colorado for specified uses by the Commissioner of Agriculture assets of the Colorado Rural Rehabilitation Corp. now being administered by the Department of Agriculture through the Farmers' Home Administration under an agreement for administration between the corporation and the Secretary.

Under H. R. 6607, the Secretary would be discharged of his responsibility under the present law to concur in the purposes for which funds returned to the State may be used. The present law would

require that the Secretary return the assets or parts thereof upon proper application to the Colorado Rural Rehabilitation Corp., an active corporation.

Public Law 499 directs the Secretary of Agriculture to negotiate for the return of the trust assets to the State corporations, or with an agency designated by the State legislature if there is no corporation existing or revived. It also provides that any funds returned to the State may only be used for those rural rehabilitation purposes authorized by the charter of the individual corporation as such purposes are agreed upon between the corporation and Secretary of Agriculture.

This Department believes that the control of these assets of the Colorado Rural Rehabilitation Corp. should be with the State government rather than with the corporation, the board of directors of which is self-perpetuating and at present are private citizens having no direct responsibility to the State. It also believes that the Secretary of Agriculture should be relieved of his responsibility for indirect control of the use of the funds returned to the State. The proposed transfer to the State probably will not increase the need for appropriated loan funds since upon transfer to the State, or its designee, the cash and collections would be used for substantially the same loan purposes as now, or heretofore, authorized.

The enactment of the bill, which applies only to Colorado, would not require any additional administrative expense appropriation. The Bureau of the Budget advises that there is no objection to the submission of this report.

Mr. POAGE. Mr. Scott, are there any other States in the same situation as Colorado here, with a private corporation taking these funds?

Mr. SCOTT. I understand that there are some corporations of this general character, Mr. Chairman.

This bill, as you well know, relates only to Colorado——

Mr. POAGE. I know that.

Mr. SCOTT (continuing). And our position is intended to apply just to this bill, sir.

Mr. POAGE. We have a corporation in Texas, but I understand it is a public corporation and not a private corporation of this kind, and that the State still controls the personnel.

Mr. SCOTT. Mr. Smith, Deputy Administrator of the Farmers' Home Administration, is here, and he is familiar with these corporations.

Mr. POAGE. Mr. Smith.

STATEMENT OF HENRY SMITH, DEPUTY ADMINISTRATOR, FARMERS' HOME ADMINISTRATION

Mr. SMITH. Well, I think your statement is essentially correct. Most of the corporations do have a board of directors that has some public official associated with it.

Mr. POAGE. Well, there is no objection on the part of anyone that I know of to passing this legislation.

Does this existing board claim any rights?

Mr. HILL. As far as I know—I know of none.

Mr. POAGE. Mr. Baker.

STATEMENT OF JOHN BAKER, COORDINATOR OF LEGISLATIVE SERVICES, NATIONAL FARMERS UNION

Mr. BAKER. Mr. Chairman, I will have just a very brief oral statement, and will include some comments on some of the other bills that you have considered this morning, as well as on the one that is currently under consideration.

For the record, I am John A. Baker, coordinator of legislative services, National Farmers Union.

As members of the committee know, we supported passage of the now enacted deferred grazing bill, and we are gratified to hear from Department witnesses this morning that they expect it to go into operation within 2 weeks.

As I recall it, Mr. Chairman, we have previously appeared at a hearing of your subcommittee in support of the grazing land bills. My memory may be faulty in that regard.

We support the general principle of H. R. 5857 by Mr. Albert; 2871, by Mr. Jennings; 3984, by Mr. Johnson; and H. R. 6702, by Mr. Albert.

I was gratified to hear that an informal arrangement has been worked out, where at least maybe another step toward the ultimate enactment of these bills will be taken by the informal work between the specialists and technicians of the Department and members of the committee.

I would like to add, Mr. Chairman, that I very strongly, and I know that most people in the National Farmers Union do also, support the statement that you made earlier, and the statements that Mr. Albert, Mr. Jennings, and Mr. Johnson made on behalf of their bills.

Now, turning to H. R. 6607, introduced by Mr. Hill, we appear in opposition to that bill and request that the committee hold final decision until more consideration has been given to it. There is no particular danger, as we see it, in holding up immediate action on the bill.

The Colorado Rural Rehabilitation Corp., as it is now constituted, is operating satisfactorily, as we see it, and we understand that Governor McNichols of Colorado has expressed himself as being of the opinion that the corporation is operating satisfactorily as now constituted.

As has already been brought out, all these State rural rehabilitation corporations, including the one in Colorado, were originally established as a part of the relief program in 1933 and 1934 to make relief funds go further and do a better job through loans and farm and home management, technical assistance, rather than outright relief payments or work relief, which did not completely fit into the enterprise—to make loans, backed up with technical supervisory assistance, to assist low-income farmers. The money is still being used for that purpose under the existing board. The members of the existing board are people who have carried out this program, and others, for a period of 10, 15, 20 years.

The problem that faces us with respect to 6607 is that we are afraid it has not established safeguards that would prevent these funds from being used in other ways; good ways, but not the ways for which the funds were originally established.

There has been some discussion that if it were turned over to the Colorado Department of Agriculture markets, it would be used for

drought relief, or be used for rebuilding irrigation districts, or there would be a lot of different ideas suggested as to ways that the money could be used once the Secretary of Agriculture had relinquished his control.

Now, the bill, as drafted, says that that is not to be done. I do not know as of now whether the bill, as drafted, has sufficient safeguards in it in that regard or not. I am not requesting that you make a final decision in opposition to the bill, but let's give it considerable more consideration before we pass on it favorably.

We are also afraid that enactment of legislation for this transfer of funds and abolishing the rural rehabilitation corporation board as such would, even though not intentionally at this time and not by direct authorization in the original bill or agreement, it would set up the possibility of political and sociological situations whereby new moves or new agreements could be made to use these funds for purposes other than for what was originally intended.

Mr. POAGE. Mr. Baker, you have asked that we go into this further. It is obvious that we cannot go into it further at the moment, the second round having been called.

Can you and either Mr. Scott or Mr. Smith come back here some day, at some future date, and maybe get hold of the Governor of Colorado—

Mr. BAKER. We would appreciate the opportunity to handle it that way, Mr. Chairman.

Mr. HILL. Mr. Chairman, if I might say, the Governor has never contacted me, and he was notified by me the day I put the bill in the hopper. So if he has any word against it, I think we should have it.

Mr. POAGE. We will attempt at an early date to go into it further.

Mr. HILL. And, of course, I want to ask some further questions.

Mr. POAGE. Well, these things should be gone into thoroughly, and we appreciate your raising the questions.

And we appreciate very much your coming up here, Mr. Scott and Mr. Smith.

I would like to go into some other things now, but we cannot do it. Therefore, the committee will stand in recess, subject to the call of the Chair.

(The following statements were submitted to the subcommittees:)

STATEMENT OF NATIONAL FARMERS UNION

Mr. Chairman and members of the committee, we appreciate the opportunity to present for the record testimony on H. R. 188, introduced by Congressman Gross of Iowa, and H. R. 2139 introduced by Congressman Budge of Idaho.

H. R. 188

The objective of this bill is that of preventing sudden and unreasonable decreases in the price of hogs and cattle which are sold at stockyards or to packers. The bill provides for the inserting of a new subsection in section 312 of the Packers and Stockyard Act as follows:

"It shall be unlawful for any stockyard owner, market agency, or dealers to buy swine or cattle at a stockyard or to furnish stockyard services in connection with the buying of such swine or cattle, or for any packer to buy any swine or cattle unless the price paid to the producer is within the permissible range of fluctuation under paragraph 2 of this subsection."

Paragraph 2 establishes that the permissible range of fluctuation be not more than 10 cents a hundredweight, less than the average price paid at a stockyard or by a packer for swine of the same grade on the preceding business day. The range of fluctuation for cattle shall be not more than 25 cents

a hundredweight less than the average price paid at a stockyard or by a packer for cattle of the same grade on the preceding business day.

While we are of the opinion that H. R. 188 falls far short of providing the kind of protection needed by producers of cattle and hogs, we do not oppose the enactment of this legislation. H. R. 188 falls far short of being the answer to the problems that livestock producers have in maintaining their bargaining power at the market place. Enactment of this legislation has certain dangers in view of the fact that it may hamper the efforts of livestock producers to obtain other vitally needed legislation. I refer specifically to S. 1356, introduced by Senator O'Mahoney of Wyoming and cosponsored by Senator Watkins of Utah. This bill would transfer authority to regulate the major meatpackers with respect to the antimonopoly title of the Packers and Stockyard Act from the United States Department of Agriculture to the Federal Trade Commission.

We should like to point out that while H. R. 188 would restrict the permissible range of fluctuation of prices of cattle and hogs from one day to the next, it only applies the brakes to the fluctuation, never bringing the fluctuation to a stop with a protective floor.

H. R. 2139

Reference has been made to S. 1356, a bill introduced by Senator O'Mahoney and cosponsored by Senator Watkins. The support of National Farmers Union for this bill is based on the fact that the Department of Agriculture has been asleep at the job of policing monopolistic tendencies in the meatpacking industry, thus leaving farmers without adequate protection from monopolistic practices.

With respect to H. R. 2139, we see little point in enacting piecemeal legislation to strengthen the Packers and Stockyard Act. We tie our support for S. 1356 to H. R. 2139 because we feel that regulation of packers under title II of the Packers and Stockyard Act should be transferred to the Federal Trade Commission.

STATEMENT OF AMERICAN MEAT INSTITUTE BY WESLEY HARDENBERGH, PRESIDENT

This statement is presented by the American Meat Institute, research, educational, and trade association of the meatpacking industry in opposition to H. R. 2139, which would authorize the Secretary of Agriculture to require bonds from meatpackers. Objections to the bill may be grouped under two principal headings: (1) It is unnecessary. (2) It would place a financial burden on the industry, which in the long run probably would be paid by the livestock producer.

THE PROPOSED LEGISLATION IS UNNECESSARY

Going back to the first point, legislation of this kind is not necessary and probably will not go very far toward protecting the group, which originally sponsored it. We understand that a bill of this kind was introduced several years ago at the insistence of some of the operators of country markets and auction barns. It is generally recognized that markets of this nature are constantly springing up and attempting to attract a flow of livestock in many different parts of the country. Some of them are not established on a solid financial foundation and just to keep track of the existence of markets of this kind over the country is a somewhat difficult job.

More important, however, is the point that no need has been shown for legislation of this kind. No showing has been made of significant losses to producers or to commission men over a period of many years, including the depression years. In the committee report accompanying S. 2404, a similar bill introduced in 1954, the following statement was made: "In recent years market agencies and dealers subject to the act have incurred heavy losses due to failure of certain packers to pay for livestock purchased at markets posted as being subject to the provisions of the act." A similar statement was made May 13, 1957, by David M. Pettus, Acting Director of the Livestock Division of the United States Department of Agriculture, in testimony before the Livestock and Feed Grains Subcommittee. The basis for this claim appears to be a study covering a period of 8 years (from 1946 through 1953) indicating losses of \$1,500,000. However, the 1954 report admitted that these losses were absorbed by market agencies and dealers or were covered by their bonds and that there had been "no resulting losses to producers." Mr. Pettus' testimony was to the same effect. What few

losses have occurred appear to be less in total amount than the cost of bonds, and there has been little or no effect on livestock producers. The minor losses incurred by commission men would seem to be one of the usual characteristics of a business undertaking. They might have been avoided altogether by proper credit investigations and self-regulation by stockyards and exchanges.

DEPARTMENT OF AGRICULTURE UNDULY APPREHENSIVE

The committee report stated further: "Many packers operating today own little if any business property to which resort could be had if they failed to pay for livestock purchased. The annual reports submitted by packers subject to the act indicate that many of them are finding it increasingly difficult to conduct their operations on a profitable basis." It is difficult to understand why the Department of Agriculture has been under such apprehension with respect to the financial condition of the meatpacking industry in view of the fact that practically no losses occurred during the great depression of 20 some years ago, which probably was one of the worst financial crises this country has ever known. It appears that in this bill the Government is being asked to furnish financial insurance to a group which should be obliged like other businessmen to investigate the credit rating and financial standing of those with whom they do business. It would seem also that proper credit regulation by commission men, local stockyards, and exchanges would eliminate all of the arguments as to why Government intervention is necessary. Some of the exchanges, notably Denver and St. Louis, now are doing an excellent job of regulating credit. These exchanges permit packers to present a financial statement in lieu of a bond, and, as far as we have been able to determine, the system works well.

UNNECESSARY FINANCIAL BURDEN IMPOSED ON THE INDUSTRY

An important point is that the bill imposes an unnecessary financial burden on the livestock and meat industry. The committee report stated that bonds are obtainable at an average cost of \$5 per \$1,000, and Mr. Pettus used the same figures. While we do not know just what the total bonding requirement would be, it has been estimated that the cost could be in the neighborhood of \$800,000 annually. The premium cost of the bonds alone would be more than the annual losses, which in the worst year covered by the study were around \$800,000. As against losses of \$1,500,000, bonding costs for the 8-year period would have been an estimated \$6,400,000, and this amount would have been increased further by costs of investigation, bookkeeping, and so forth.

COST ULTIMATELY PAID BY PRODUCER

Profit margins in this industry are so narrow, bonding costs probably will not be taken from the pockets of the industry's stockholders. Of necessity they must be paid by producers, consumers, or both. This is just one more item which increases the spread between what the producer receives and what the consumer pays. In recent years this spread has been subject to severe criticism from certain Members of Congress and it would seem that they would be willing to increase it only under circumstances of dire need. Such need has not been shown so far.

ALLEGED COLLECTION PROBLEM NOT SUBSTANTIATED

The 1954 committee report stated further: "The record of formal and informal actions taken under authority of the act shows that inability of selling agencies to collect from packers for livestock purchased constitutes a major risk in operating such an agency. Without packer bonds these risks will be reflected back to livestock producers in the form of increased marketing costs, and in some instance loss of proceeds of sale."

So far as we have been able to determine, this statement is highly exaggerated, and in fact payments for livestock are virtually on a cash basis. With commission firms collecting for livestock sold within 24 hours in most cases, it is hard to see how a major risk could be involved. In those cases where bad business judgment was used and credit extended where it should not have been, it could be withdrawn in a day or so before a loss of major proportions accumulated.

In any event, it would seem to be poor judgment to substitute for this doubtful risk a definite and tangible cost which have no other effect than to increase the marketing costs which the committee report discusses.

SOUND COMPANIES WOULD KEEP DOUBTFUL ONES GOING

Another effect of the bonding requirement would be to force financially sound companies to contribute, through their bond, toward keeping unsound companies in business longer than they would be able to survive unaided. Compulsory bonding enables a company which otherwise would fail because of lack of credit to continue and in this way interferes with the normal operation of economic factors. From the standpoint of the company which is about to fail this might be desirable, but it is an inefficient method and does not appear to be in the public interest.

We believe H. R. 2139 to be unnecessary and inadvisable and urge that it be rejected.

STATEMENT OF A. Z. BAKER, PRESIDENT OF THE AMERICAN STOCK YARDS ASSOCIATION

The American Stock Yards Association is a voluntary association of the owners and operators of most of the so-called terminal stockyards of the United States, all of which are conducted and operated as public markets and posted by the Secretary of Agriculture under the provisions of the Packers and Stockyards Act of 1921. The members of the association are primarily engaged in providing and furnishing stockyard facilities and services in connection with the receiving, handling, feeding, watering, weighing, holding, delivery, and shipment of live-stock in commerce; and in furnishing facilities and services to market agencies, dealers, packers, and others buying and selling livestock on a commission basis or otherwise at the stockyards. The terminal markets operated by the members of this association are distinguished from auction markets chiefly by size, volume, the selling agents, and the method of selling of livestock. In the case of terminal markets the selling is done by competent sales agents or commission men in private competitive negotiations with the buyers or their employees or agents; and, in the case of auctions, the selling is done by auctioneers calling publicly for bids and selling at auction. The terminal markets, customarily located adjacent to packing centers, generally handle a larger volume of livestock and consequently are more extensive in area.

The administrative officers of the members of this association and its president have had long experience in the field of livestock marketing, and with the administration of and compliance with the Packers and Stockyards Act. They recognize the inherent characteristics of livestock which invite practices in the course of marketing which require comprehensive and effective supervision and regulation in the interest of the livestock producers and other segments of the livestock and meat industry.

When the act was passed in 1921, substantially all of the livestock was marketed through stockyards and agencies regulated and supervised under the provisions of the act. In the ensuing years a major part of the total farm marketings have been diverted from regulated markets to other public and private marketing channels not subject to the provisions of the act. In the year 1956, the members of the association handled for sale, principally to packers for immediate slaughter, 15,470,293 cattle, 3,133,416 calves, 21,358,121 hogs, and 7,123,444 sheep and lambs; but this was equivalent to only 46.1 percent of the cattle, 19.8 percent of the calves, 27.4 percent of the hogs, and 31.5 percent of the sheep and lambs marketed from the farms of the United States. Some additional livestock was marketed through regulated secondary markets, usually auctions, but the preponderance of the marketings went through unregulated markets or private buying establishments.

For a number of years, the Secretary of Agriculture, despite the express provisions of the act, failed to post and subject to regulation and supervision a growing number of markets which were eligible for posting. In recent months, he has apparently recognized the vital importance of regulation and supervision of marketing practices and has been actively posting additional eligible markets. At present, there are 64 terminal stockyards and nearly 400 auctions posted under the act. It is estimated that there are at least as many more eligible for posting under the present provisions of the act. Altogether, there is an estimated aggregate of approximately 2,400 public stockyards operating as public markets handling livestock in commerce, including those posted, those eligible for posting, and those not presently subject to regulation because of limitation of area. Eligibility for posting is based upon the nature of the operation (conducted for compensation or profit as a public market), the extent of the operation (in inter-

state commerce), and the area of the stockyard (not less than 20,000 square feet).

There are registered with the Secretary, and required to observe the provisions of the act, 1,300 market agencies, 2,000 dealers, and 2,600 packer buyers doing business at posted markets. Registered market agencies and dealers are required to observe the regulations prescribed by the Secretary under the act, including the maintenance of bonds to secure the performance of their obligations at posted markets, particularly the prompt payment for purchases and the remittance of the full proceeds of sales of livestock.

The American Stock Yards Association has consistently opposed any limitation of the application of the act to make it inapplicable to auction markets in the conviction that such a limitation would encourage the development of unnecessary markets and divert substantially more of the marketings to unregulated markets, and destroy the effectiveness and benefits of regulation and supervision under the act and affect the efficiency and cost of livestock marketing throughout the United States. Enactment of H. R. 1270 would create an unjustifiable competitive situation between the terminal markets and the auctions and result in unreasonable discrimination against the regulated markets and those using or engaging in business at such markets.

Rather than make the act inapplicable to stockyards which engage exclusively in the sale of livestock on commission at public auction, the act should be amended to make it applicable to all markets and their operators handling livestock in commerce and to persons engaging in buying or selling on a commission basis or otherwise, or dealing in livestock at such markets. All such persons should be subject to provisions and regulations requiring the installation, maintenance, and operation of all scales and facilities used in weighing livestock in commerce so as to insure accurate weights, and requiring the maintenance of adequate bonds to secure the prompt payment to the rightful owner of the full amount of the purchase price or the proceeds of sales.

Even without further amendment to the act, the Secretary should be required to carry out the mandatory provisions of section 302 (b) of the act and post all eligible stockyards, thereby making it possible to provide to the livestock producer and other segments of the livestock industry the protection which the act contemplates; and he should be provided with adequate funds to enable him effectively to supervise and enforce the trade practice provisions of the act. The competition which exists among markets and marketing agencies effectively controls rates and charges, making unnecessary extensive and costly rate regulation and permitting administrative resources to be concentrated upon the more important enforcement of trade practice regulations.

The American Stock Yards Association firmly states that there is a vital need for effective regulation of all marketing of livestock, and that there is no justification for removing auction markets from the regulations provided in the act.

STATEMENT OF AMERICAN NATIONAL CATTLEMEN'S ASSOCIATION, DENVER, COLO.
IN OPPOSITION TO H. R. 1270

PURPOSE OF ACT

The Packers and Stockyards Act was passed in 1921 largely at the urging of the American National Cattlemen's Association (then known as the American National Livestock Association) following demands from its membership that the handling of livestock at public markets and the practices of packers in purchasing livestock at public markets or elsewhere should be regulated in the interest of reasonable marketing charges and practices and fair play.

Unquestionably, the enforcement of this act has saved millions of dollars for the livestock industry of the country through regulation of yardage and commission charges, as well as charges for feed, while the supervision of practices in and out of the stockyards has likewise been of tremendous advantage to the industry.

BENEFICIAL PRACTICES

Among the items which have been of special interest is the requirement that bonds shall be provided to guarantee the fulfillment of the sale and transfer to the shipper of the proceeds therefrom.

Furthermore, commission houses have been required to keep shippers' proceeds in a separate account from funds belonging to the market agency, thus preventing

the use of shippers' proceeds for any other purpose and insuring their proper delivery to the rightful owner.

UNFAIR PRACTICES

During the 36-year life of the act, the record of accomplishment in the interest of the livestock producers and feeders is out of all proportion to the narrowly restricted cost of the operation. Officials of the act should be called upon to recite to the committee the numerous and miscellaneous types of activity which have been registered which stopped varied illegal practices detrimental to the industry and which have made the activities of the packers and stockyards administration a practice accepted at the posted markets as a necessary complement to the successful conduct of fair and open markets for the sale of livestock.

DISCRIMINATION

In view of the facts recited above, it seems unthinkable that Congress should even consider to amending the act so as to allow a substantial segment of the present marketing machinery of the industry to escape from the provisions thereof. Instead, Congress should appropriate sufficient money so that every market of whatever type eligible to posting under the act should be so posted and supervised accordingly.

HISTORY OF OPERATION

When the act was young and enforcement new, there was substantial objection from the central markets of the country to the regulations thus called for. That opposition is now very much reduced. It is a fact that the Packers and Stockyards Act protects the legitimate market agency under its supervision from unfair competition from less scrupulous operators. It would be a decidedly backward step to exempt any type of market agency from the provisions of this act once it is determined that the size of the operation justifies the regulation.

No sound reason has been advanced why the sellers of livestock at public auction should escape this regulation. It is true that in many instances their charges considerably exceed the costs of selling through a central market. Even where a single charge is made which in effect covers both yardage and commission, in many cases it exceeds the combined charge for these services at a competitive central market. In many cases the charge at auction markets is based on a percentage of the sale price. This practice has been frowned upon at the central markets as it is not a fair test of the value of the service rendered.

A few years ago the Department of Agriculture worked out a 3-year plan to bring under supervision a large number of eligible auction markets and set up a schedule of increased appropriations to cover the cost thereof. Considerable progress on this project was made the first year. The second year organized auction markets of the South stirred up a storm of protest and demanded that the appropriations be not further increased, and the project was thus brought to a halt.

It is grossly unfair to the central markets and to all markets that are now posted to exempt any certain class of markets from the provisions of the Packers and Stockyards Act. It is just as important to the livestock industry to have reasonable cost of operation and fair market practices at the auction markets as it is in any place else. The development of the auction market since the passage of the Packers and Stockyards Act has not changed the need for fair rates and fair practices.

We strongly urge the defeat of H. R. 1270 or any other proposed legislation similarly aimed at destroying, in part at least, the essential services which the packers and stockyards administration has provided for these many years.

STATEMENT OF JOHN A. KILLICK, EXECUTIVE SECRETARY, THE NATIONAL INDEPENDENT MEAT PACKERS ASSOCIATION, IN OPPOSITION TO H. R. 2139

Mr. Chairman and members of the committee; my name is John A. Killick. I am executive secretary of the National Independent Meat Packers Association. The offices of the association are located at 740 11th Street NW., Washington, D. C.

The National Independent Meat Packers Association is an organization of more than 525 members located in all parts of the United States, nearly 400 of which are meatpacking plants, while the remainder are supplier firms whose

affiliation is that of associate members. For the most part, the meat packing plants qualify under the rule-of-thumb definition of "small" business men, in that relatively few employ more than 500 persons. The term "independent" in the title connotes that in general, again with a few exceptions, they are one-plant operations serving a community or region, in contrast to packers whose products are distributed and sold on a nationwide basis.

Our purpose in the detailed description in the foregoing paragraph is to emphasize the fact that our members are responsible local members of the community in which they do business, and that consequently their financial responsibility and integrity is an asset without price, and is something which none of them would willingly jeopardize. They meet payrolls, purchase machinery and equipment, and perform other normal business transactions without being requested to post bond, which is why the National Independent Meat Packers Association views as utterly preposterous the suggestion that they be compelled to post bond to cover the purchase of their most vital raw material—livestock—as is proposed in H. R. 2139.

Should the principle embodied in H. R. 2139 be accepted—and we cannot see how reason could dictate such a decision—it would be just as logical to expect the merchant to post bond for the shoes and clothing he sells, or, for that matter, to insist that the producer provide a warranty that the cattle, hogs and sheep that he sells are in fact as he has represented them to the buyer.

While we do not have at hand accurate statistics concerning defalcations by meatpackers in livestock transactions, it stands to reason that no packer who thus impaired his reputation could continue long to do business. It is our belief that such instances are relatively few and small in relation to the tremendous volume—perhaps some \$8 billion annually—of livestock transactions.

In an industry of such traditionally and notoriously low-profit margins, the cost of bonds, as insignificant as these might seem individually, would amount to a considerable sum in the aggregate. Certainly the rare instances involved of defalcation which cause loss to the producer or market agency constitute no argument for imposing upon an entire industry a substantial and wholly unnecessary expense.

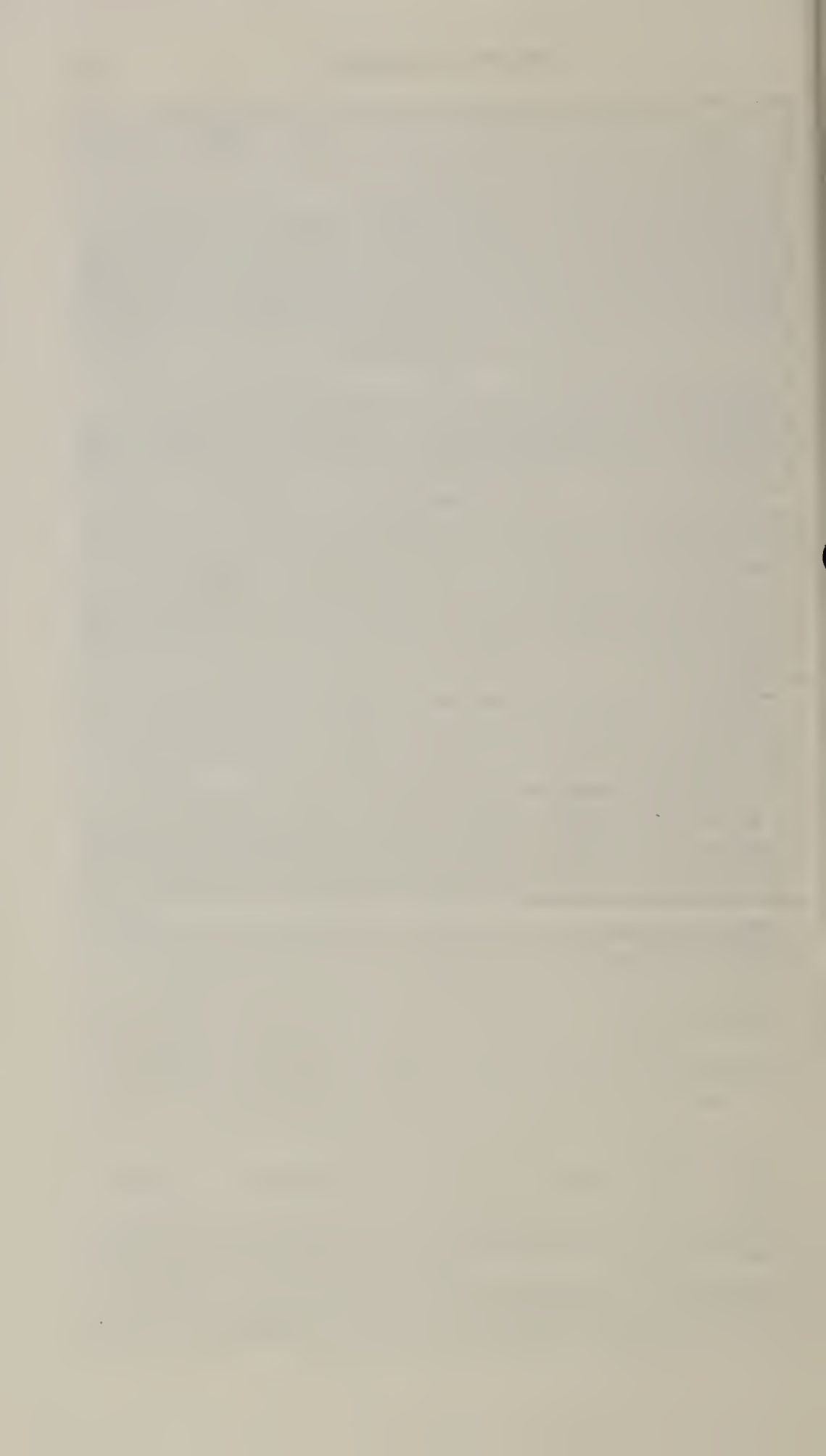
In the past Congresses, generally similar bills have been considered but in each instance the Congress in its wisdom has concluded that imposing bonding requirements on an entire industry to protect a few imprudent businessmen, who fail to exercise ordinary and reasonable care in their business dealings, is unwise and wholly unwarranted.

H. R. 2139 is unnecessary and the added expense it would impose on the meat packing industry is unjustified. The compulsory bonding under the bill would cost several hundred thousand dollars annually. Obviously someone must pay this amount. It either comes off the price the producers obtain for the livestock in the market or it is added to the consumer's meat bill. Neither is justified.

For the above reasons, we respectfully urge the committee not to grant favorable consideration to this legislation.

(Whereupon, at 12:20 p. m., the subcommittee adjourned, subject to th call of the Chair.)

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LEGISLATIVE HISTORY

Public Law 85-865

H. R. 5497

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Index and Summary of H. R. 5497

Feb. 28, 1957	Rep. Sikes introduced and discussed H. R. 5497 which was referred to the House Agriculture Committee. Print of bill.
Aug. 2, 1957	House committee ordered H. R. 5497 reported with amendment.
Aug. 5, 1957	House committee reported H. R. 5497 with amendment. Print of bill and Report No. 990.
Aug. 19, 1957	House rejected motion to consider H. R. 5497 under suspension of rules.
Aug. 28, 1957	Reps. Bow, Engle, and Boland objected to consideration of H. R. 5497.
Feb. 3, 1958	House passed over, at the request of Rep. Weaver, H. R. 5497.
Feb. 17, 1958	House passed H. R. 5497 with amendment.
Feb. 19, 1958	H. R. 5497 was referred to the Senate Agriculture and Forestry Committee. Print of bill.
May 21, 1958	Senate committee ordered H. R. 5497 reported without amendment.
May 26, 1958	Senate committee reported H. R. 5497 without amendment. Copy of bill and Senate Report No. 1630.
June 23, 1958	Senate passed over H. R. 5497.
Aug. 18, 1958	Senate passed H. R. 5497 with amendments.
Aug. 20, 1958	House concurred in Senate amendments to H. R. 5497.
Sept. 2, 1958	Approved: Public Law 85-865.

HEARINGS: House Agriculture Committee; March and May 1957.

DIGEST OF PUBLIC LAW 85-865

FISH AND WILDLIFE DEVELOPMENTS IN WATERSHED PROJECTS. Amends Sec. 4 (2) (A) of the Watershed Protection and Flood Prevention Act so as to permit the Secretary of Agriculture to provide, on or after July 1, 1958, limited Federal sharing in the costs of improvements for fish and wildlife developments in watershed projects if the Secretary finds that they produce other than direct identifiable benefits.

H. R. 5497

BEFORE THE HOUSE OF REPRESENTATIVES

IN SENATE

AND IN HOUSE OF REPRESENTATIVES

A BILL

TO AMEND THE ACT APPROVED JULY TWENTY, ONE
THOUSAND NINE HUNDRED AND SEVEN, RELATIVE
TO THE NATIONAL BOARD OF HEALTH, AND
TO AMEND THE ACT APPROVED JULY TWENTY,
ONE THOUSAND NINE HUNDRED AND SEVEN,
RELATIVE TO THE NATIONAL BOARD OF HEALTH,
AND TO AMEND THE ACT APPROVED JULY TWENTY,
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AND TO AMEND THE ACT APPROVED JULY TWENTY,
ONE THOUSAND NINE HUNDRED AND SEVEN,
RELATIVE TO THE NATIONAL BOARD OF HEALTH,

H. R. 5497

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 28, 1957

Mr. SIKES introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To amend the Watershed Protection and Flood Prevention Act.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 4 (2) (A) of the Watershed Protection and
4 Flood Prevention Act (Public Law 1018, Eighty-fourth
5 Congress) be amended by inserting immediately after “and
6 disposal of water”, the following: “or for recreational and
7 fish and wildlife development.”

85TH CONGRESS
1ST SESSION

H. R. 5497

A BILL

To amend the Watershed Protection and Flood
Prevention Act.

By Mr. Sikes

FEBRUARY 28, 1957

Referred to the Committee on Agriculture

House of Representatives

THURSDAY, FEBRUARY 28, 1957

The House met at 12 o'clock noon.

Rev. Father Bernard W. Gerdon, national chaplain, the American Legion, Indianapolis, Ind., offered the following prayer:

Almighty God, our Heavenly Father, keep these United States in Thy holy protection. Watch over our beloved country, preserve her integrity, guard her against all enemies, that she may walk in ways of peace a happy, prosperous, divinely blessed land.

We pray Thee cultivate in the minds of all her citizens the spirit of devotion and obedience to government, of respect for law, of self-sacrificing service and love for their fellow man, and of dedication and consecration to Thee. Be with our President and all those in lawful authority over us to counsel, guide, and inspire them. Let the light of Thy divine wisdom direct the deliberations of this Congress and shine forth in all the proceedings and laws framed for our rule and government that they may tend to the preservation of peace and the promotion of national happiness and keep America a bulwark of freedom and justice—a beacon of love and hope piercing the darkness to light the way to a world at peace. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Tribbe, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills of the House of the following titles:

On February 20, 1957:

H. R. 3845. An act extending for 1 year the time in which the Boston National Historic Sites Commission shall complete its work.

On February 26, 1957:

H. R. 348. An act to amend section 12 of the act approved February 22, 1889 (25 Stat. 676), relating to the admission into the Union of the States of North Dakota, South Dakota, Montana, and Washington, by providing for the use of public lands granted to the States therein for the purpose of construction, reconstruction, repair, renovation, furnishings, equipment, or other permanent improvement of public buildings at the capital, of said States.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McBride, one of its clerks, announced that the Presiding Officer had made the following appointments:

Mr. KERR to be a member of the Joint Committee on Reduction of Nonessential Federal Expenditures, vice Mr. George, retired.

Mr. CLARK to be a member of the District of Columbia Auditorium Commission, vice Mr. McNAMARA, resigned.

Mr. NEUBERGER to be a member of the Franklin Delano Roosevelt Memorial Commission, vice Mr. Lehman, retired.

The message also announced that the Vice President has appointed Mr. JOHNSTON of South Carolina and Mr. CARLSON members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers referred to in the report of the Archivist of the United States numbered 57-6.

COMMITTEE ON RULES

Mr. SMITH of Virginia. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tomorrow night to file certain privileged reports.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

REPORT ON COMMODITY CREDIT CORPORATION—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States, which was read and, together with accompanying papers, referred to the Committee on Banking and Currency:

To the Congress of the United States:

In accordance with the provisions of section 13, Public Law 806, 80th Congress, I transmit herewith for the information of the Congress the report of the Commodity Credit Corporation for the fiscal year ended June 30, 1956.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, February 28, 1957.

STUDIES AND INVESTIGATIONS BY COMMITTEE ON EDUCATION AND LABOR

Mr. SMITH of Virginia. Mr. Speaker, I call up the resolution (H. Res. 168) to authorize the Committee on Education and Labor to conduct studies and investigations relating to matters coming within its jurisdiction, and ask for its present consideration.

The Clerk read the resolution, as follows:

Resolved, That the Committee on Education and Labor, effective from January 3, 1957, acting as a whole or by subcommittee, is authorized and directed to conduct studies and investigations relating to matters coming within the jurisdiction of such committee under rule XI, clause 6, of the Rules of the House of Representatives. For such purpose such committee, or any subcommittee thereof, is authorized to sit and act during the present Congress at such times and places within the United States, its Territories and possessions, whether the House is in session, has recessed, or has adjourned, to hold such hearings, and to require by subpoena or otherwise the attendance and testimony of such witnesses and the production of such books, records, correspondence, memorandums, papers, and documents, as it deems necessary. Subpenas shall be issued only over the signature of the chairman of the committee or a member of the committee designated by him; they may be served by any person designated by such chairman or member. The chairman of the committee or any member thereof may administer oaths to witnesses.

The committee may report to the House of Representatives from time to time during the present Congress the results of its studies and investigations, with such recommendations for legislation or otherwise as the committee deems desirable. Any report submitted when the House is not in session shall be filed with the Clerk of the House.

With the following committee amendments:

Strike all after the resolving clause and in lieu thereof insert the following:

"That the Committee on Education and Labor, effective from January 4, 1957, acting as a whole or by subcommittee, is authorized to conduct a full and complete study and investigation of all matters—

"(1) relating to employee health, welfare, and pension plans;

"(2) relating to the question of Federal aid to school construction; and

"(3) relating to education and labor generally.

"For the purposes of such investigations and studies the committee, or any subcommittee thereof, is authorized to sit and act during the present Congress at such times and places within the United States, its Territories, and possessions, whether the House has recessed, or has adjourned, to hold such hearings, and to require by subpoena or otherwise the attendance and testimony of such witnesses and the production of such books, records, correspondence, memorandums, papers, and documents, as it deems necessary. Subpenas shall be issued only over the signature of the chairman of the committee or a member of the committee designated by him; they may be served by any person designated by such chairman or member. The chairman of the committee or any member thereof may administer oaths to witnesses.

"The committee may report to the House of Representatives from time to time during the present Congress the results of its studies and investigations, with such recommendations for legislation or otherwise as the committee deems desirable. Any report submitted when the House is not in session shall be filed with the Clerk of the House."

Mr. SMITH of Virginia. Mr. Speaker, this is the customary resolution authorizing the Committee on Education and Labor to conduct investigations within the field of its jurisdiction. There are certain committee amendments to make it conform to the usual policy in such cases.

The resolution has the unanimous approval of the Committee on Rules and, as I say, is the usual resolution given to the committee.

I yield to the gentleman from Pennsylvania.

Mr. SCOTT of Pennsylvania. Mr. Speaker, there is no objection to the resolution on this side.

The SPEAKER. The question is on the committee amendment.

The committee amendment was agreed to.

The resolution was agreed to.

The title of the resolution was amended so as to read: "Resolution to authorize the Committee on Education and Labor to conduct studies and investigations relating to certain matters coming within its jurisdiction."

A motion to reconsider was laid on the table.

ADJOURNMENT OVER

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

COMMITTEE ON BANKING AND CURRENCY

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may have until midnight Saturday to file a report on the bill H. R. 4135, a bill to promote and preserve local management of savings and loan associations by protecting them against encroachment by holding companies.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

ECONOMIC DEVELOPMENT OF THE NATION

(Mr. SIKES asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. SIKES. Mr. Speaker, I am introducing a bill which, I feel, has great merit in furthering the economic development of our country. This legislation is designed to benefit communities who are not blessed with great agricultural or waterway projects that have added materially to the growth and development of those communities that do possess them.

I am offering an amendment to the Watershed and Flood Protection Act which will enable the Federal Government to participate in financing projects of recreational nature when such projects

provide a major portion of income in the immediate vicinity of the project.

In my district, as I am sure is the case in other districts, there are communities whose economic conditions are directly or indirectly based on recreational activities and allied businesses. These communities should not be discriminated against for their lack of other sources of income. On the contrary, they should be given the same privilege of financial participation in the watershed program as other communities with economic factors whose development is assisted by Federal financing.

In connection with this, I would like to quote from the Presidential Advisory Committee Report on Water Resources Policy dated December 22, 1955. On page 31, the report reads:

The Committee has considered many cost-sharing proposals and has weighed carefully the elements of fairness to all concerned and precedents for sharing the cost of other programs. Further, it gave due recognition to the types of benefits accruing to individuals, groups of individuals, local and State governments, and the Nation as a whole. It was unable to discover for all cases a completely equitable yet practicable procedure for cost sharing based solely on the principle of sharing costs in proportion to benefits.

The Committee recommends, as a general policy, that all interests participate in the cost of projects in accordance with the measure of their benefits, and that the Federal Government assume the cost of that part of projects where the benefits are widely dispersed and represent substantial contributions to the general economic growth of the country or region, or to the national defense.

On page 32, the policy report states:

The Committee believes that the enhancement or improvement of basic recreation facilities (provision for access, public health, safety and protection) and fish and wildlife resources of less than national significance should be treated in accordance with the general cost-sharing procedure proposed herein. Those of national significance should be financed entirely by the Federal Government. Lands to be acquired for purposes of enhancement of recreation or fish and wildlife resources should be shown separately in reports of project plans, and the acquisition of such lands should be authorized by the Congress for each individual project.

So, you see, gentlemen, the amendment that I am offering conforms with the President's recommendations.

The amendment which I offer will have important bearing and be of great benefit throughout the Nation. My interest in it was activated by a situation which has arisen in my own district. The Dead Lakes area has long been famous for fresh water sport fishing. In recent years, low water table has virtually destroyed that once great industry which provided the chief source of income for the residents of the area. An additional detriment to a constant water level has been provided by the construction of the Jim Woodruff Dam on the Apalachicola River. The level of the river has considerable influence on the level of the water in the Dead Lakes and floodwaters which are impounded above the dam are not available to help restore the needed water level in the Dead Lakes. As an illustration of this, the average gauge

reading prior to the construction of the dam was 5.9 feet. Since the dam was built, the gauge has fallen to an average of 3.1 feet. A watershed project which would provide the Tumbler Dam for Dead Lakes would be a comparatively inexpensive item because of the narrow mouth of the lakes. Yet, this project cannot participate because the present law does not permit contributions by the Federal Government for projects based principally on recreation. Obviously, recreation in this area and in many similar areas in the Nation is just as important a source of livelihood as would be agriculture in other areas. I trust that this amendment will be approved so that recreation when it provides a major source of income for the surrounding areas, can be placed on the same basis as those activities now authorized for Federal financial participation in watershed projects.

REHABILITATION SERVICES FOR THE PHYSICALLY AND MENTALLY HANDICAPPED

(Mr. ASHLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ASHLEY. Mr. Speaker, I am today introducing a bill which will, in my opinion, greatly strengthen the rehabilitation services which are now available for physically and mentally handicapped persons. The principle is simple. Federal surplus properties will be made available for rehabilitation centers and workshops. Under my bill, which amends the Federal Property and Administrative Services Act of 1949, the Secretary of Health, Education, and Welfare would be authorized to allocate Federal surplus personal property for donation to public and other nonprofit rehabilitation facilities or workshops in the same way that he may now transfer such property to tax-supported or nonprofit medical institutions, hospitals, clinics, health centers, school systems, schools, colleges, and universities. The bill would also authorize the Secretary to sell or lease surplus real property to nonprofit rehabilitation facilities and workshops. Under the provisions of the existing act, the price must take into account any benefit which may accrue to the United States because of its proposed use.

The need for this legislation was brought to my attention by Mr. Jay J. Shuer, Toledo, Ohio, president of the Ohio Association for Retarded Children. Under the present interpretation of the Federal Surplus Property Act, very few rehabilitation facilities and workshops can receive surplus Federal property. The law as amplified by the administrative regulations of the Department of Health, Education, and Welfare requires that a facility must be devoted primarily to the provision of health or educational services. A majority of rehabilitation facilities have educational, health, employment, and other aspects, and are not deemed by the Department to be within either of the two categories of eligible facilities because they are not primarily

6. EXPENDITURES; PERSONNEL. The Joint Committee on Reduction of Nonessential Federal Expenditures submitted its report on Federal employment and pay for June 1957. pp. 12186-90
7. PERSONNEL. Both Houses received from the Interior Department a proposed bill to authorize the training of Interior employees at public or private facilities; to Interior and Insular Affairs Committees. pp. 12186, 12292
8. FISCAL POLICY. Sen. Morse inserted an article, "George M. Humphrey Had a Great Fall," on the current economic situation and U.S. monetary policy. pp. 12245-7
9. LEGISLATIVE PROGRAM. Sen. Johnson stated that the calendar would be called Mon., Aug. 5, preceded by consideration of the conference report on S. 1314, to extend Public Law 480. (pp. 12184-5, 12234). He further stated the conference report on S. 469, the Klamath Indian bill, might also be considered at that time (p. 12240).
10. RECESSED until Mon., Aug. 5. p. 12248

HOUSE

Aug. 2, 1957

11. WHEAT. Passed with amendments H.R. 8456, to amend the Agricultural Adjustment Act of 1938 so as to exempt certain wheat producers from liability under the Act where all the wheat crop is fed or used for seed or food on the farm where produced. (pp. 12267-82)

Agreed to the following amendments:

By Rep. Grant, to strike out all of Sec. 3 of the bill, which would have provided that where a State for 3 successive years plants an acreage to wheat in excess of 35,000 acres it shall be classified as a commercial wheat State and shall remain so unless planting drops to less than 25,000 acres for 3 successive years and the Secretary determines that it would permit more efficient administration of the wheat program to remove the State from the commercial category. pp. 12280-81

By Rep. Henderson, to exempt certain county institutions, as well as State institutions, from the restriction of raising not more than 30 acres of wheat to avoid penalties. p. 12281

Substituted the language of H.R. 8456 as passed for that of a similar bill, S. 959, which was then passed. H.R. 8456 was tabled. p. 12282

12. FARM PROGRAM. Rep. Hill defended the farm program against recent attacks, and cited statistics to indicate recent improvements in the farm situation. pp. 12286-87

13. THE AGRICULTURE COMMITTEE ordered reported the following bills: p. D727
 - ~~H.R. 580, with amendment, to authorize the exchange of certain land under the jurisdiction of the Forest Service with Mo.;~~
 - ~~H.R. 8490, with amendment, to amend the Agricultural Adjustment Act of 1938 with respect to the establishment of rice acreage allotments;~~
 - ~~H.R. 8508, with amendment, to provide two county committees elected under the Soil Conservation and Domestic Allotment Act for certain counties in Minn. and Iowa;~~
 - H.R. 5497, with amendment, to subject recreational and fish and wildlife development projects to certain conditions in order to receive Federal assistance under the Watershed Protection and Flood Prevention Act;

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued August 5, 1957
For actions of August 2, 1957
85th-1st, No. 138

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HIGHLIGHTS: (See Page 6).

SENATE

1. SMALL BUSINESS. Passed with amendment S. 2504, to extend the Small Business Administration for one year from July 31, 1957. pp. 12202-11
2. POULTRY INSPECTION. Senate conferees were appointed on S. 1747, to provide for the compulsory inspection of poultry and poultry products. House conferees have not been appointed. pp. 12237-40
3. TOBACCO. Sen. Cooper commended the Agriculture and Forestry Committee for postponing indefinitely consideration of S. 2569, to remove tobacco from the list of basic crops and deprive it of price support. p. 12243
4. ELECTRIFICATION. Sen. Neuberger inserted an item from Rep. Green's (Ore.) newsletter praising Sen. Morse for his leadership in the Hells Canyon fight. p. 12242
Sen. Kefauver inserted a table from the Chase Manhattan Bank showing an increase in the sources of energy supply in the U.S. in 1966, and showing no growth in hydro-electrification. p. 12243
5. FORESTS. Sens. Dworshak and Neuberger debated whether the Clearwater National Forest should be named the Bernard DeVoto National Forest. pp. 12191-2

26. FISCAL POLICY. Sen. Bush inserted a series of articles on tight credit, lower prices, and the Administration's fiscal policies. pp. 12302-4

HOUSE

Aug. 5, 1957

27. ACREAGE ALLOTMENTS. Passed without amendment H.R. 8030, to eliminate the requirement that notice of intention not to plant the full acreage allotment must be filed with the county committee in order for a farmer to receive credit for future acreage allotment purposes. p. 12374
28. ~~FORESTRY; WATERSHEDS; COTTON; COUNTY COMMITTEES.~~ The Agriculture Committee reported the following bills: p. 12446
~~H.R. 580, with amendment, to authorize the exchange of certain land under the jurisdiction of the Forest Service with Mo. (H. Rept. 989).~~
H.R. 5497, with amendment, to subject recreational and fish and wildlife development projects to certain conditions in order to receive Federal assistance under the Watershed Protection and Flood Prevention Act (H. Rept. 990).
H.R. 6765, without amendment, to repeal the prohibitions against cotton acreage reports based on farmers' planting intentions (H. Rept. 991).
H.R. 8508, with amendment, to provide two county committees elected under the Soil Conservation and Domestic Allotment Act for certain counties in Minn. and Iowa (H. Rept. 994).
29. PERSONNEL. The Post Office and Civil Service Committee reported with amendment H.R. 4640, to amend the Civil Service Retirement Act to permit persons transferring to non-Act positions to retain voluntary contribution accounts (H. Rept. 1000). p. 12446
30. NATURAL RESOURCES. The Judiciary Committee reported with amendment S.J. Res. 35, to provide for the observance and commemoration of the 50th anniversary of the first conference of State governors for the protection of the natural resources of the U.S.. (H. Rept. 988). p. 12446
31. FIBER. The Interstate and Foreign Commerce Committee reported with amendment H.R. 469, to protect producers and consumers against misbranding and false advertising of the fiber content of textile fiber products (H. Rept. 986). p. 12446
Passed with amendment H.R. 7096, to exempt istle and Tampico fiber from the Tariff Act of 1930. pp. 12433-34
32. FARM PROGRAM. Rep. Harvey defended the farm program against recent attacks, citing accomplishments during the past four years. p. 12438
Rep. McGovern urged increased distribution of surplus foods, and suggested five methods for "better utilization of food surpluses." p. 12436
33. OLEOMARGARINE. Passed over, on objections by Rep. Andresen, Marshall, and Bass, H.R. 912, to provide for the serving of oleomargarine or margarine in the Navy ration. The bill was thus stricken from the consent calendar. p. 12369
34. PUBLIC LANDS. Passed as reported H.R. 8054, to provide for the leasing of oil and gas deposits in lands beneath inland navigable waters in Alaska. p. 12370
Passed as reported H.R. 2237, to authorize the transfer of certain property of VA to the Johnson City (Tenn.) National Farm Loan Assoc. and the E. Tenn. Production Credit Assoc., local units of the Farm Credit Administration. p. 12371

Aug. 5, 1957

16. WEATHER CONTROL. Passed as reported S. 86, to authorize research in cloud modification. p. 12314
17. MINERALS. Passed as reported S. 2039, to clarify the definition of labor required to be performed to hold unpatented mining claims on Federal land. pp. 12314-15
18. CENSUS. Passed as reported S. 1631, to amend generally the census laws. pp. 12326-7
19. BUILDINGS. Passed without amendment S. 2108, to authorize GSA to name, rename, or designate any building under its control. p. 12331
20. FEED GRAINS. Agreed to S. Res. 168, to print as a Senate document this Department's report on the feed grain program. p. 12340
21. RESEARCH; LAND. Agreed to S. Res. 169, to print as a Senate document a Library of Congress survey, "National Policies on Federal Landownership." p. 12340
Passed as reported S. 1962, to convey certain ARS land near Bowie, Md., to the Perkins Chapel Methodist Church. p. 12342
22. FISH; RICE. Passed as reported S. 1552, to authorize this Department to establish a research program to develop methods for the commercial production of fish on flooded rice acreage. pp. 12341-2
23. FOREIGN AFFAIRS. Both Houses received the President's message on activities to promote the peace and stability of the Middle East, through June 30, 1957. pp. 12299, 12369
24. ROADS. Sen. Neuberger inserted an editorial, "Last Chance on Billboards," urging action on the bills to control signboards along the Federal interstate highway system. p. 12307
25. ELECTRIFICATION. Sen. Langer inserted a resolution from the West River Mutual Aid Telephone Corp of N.D., opposing any increase in REA interest rates. pp. 12299-12300
Sen. Langer inserted a series of resolutions adopted by the N.D. Rural Electric Cooperative Ass'n, opposing any increase in REA interest rates; supporting construction of a high Federal dam at Hells Canyon; urging more loan funds for generation and transmission; supporting the preference concept; supporting H.R. 965, to limit repayment for electrification (on multi-purpose projects) to those costs related to such purposes; urging passage of the bill to allow TVA to sell its own bonds; urging development of the Yellowtail project on the Bighorn River; urging establishment of a "capital budget" accounting system; opposing private power firms "propaganda" advertising; urging further study on the allocation of Missouri River basin waters; and commending REA Administrator Hamil. pp. 12300-1
At the request of Sen. Clark, passed over S. 2406, to authorize the construction of works of improvement in the Niagara River. p. 12310
At the request of Sen. Barrett, passed over H.R. 8643, to authorize the construction of works of improvement in the Niagara River. p. 12345
Sen. Stennis, as acting Majority leader, assured Sens. Case, S.D., and Kefauver, that the TVA and Niagara power bills would be presented to the policy committee for consideration as to the disposition of the bill at the conclusion of the Civil Rights debate. pp. 12347-8

RECREATIONAL ASPECTS OF WATERSHED PROTECTION PROJECTS

AUGUST 5, 1957.—Committed to the Committee of the Whole House on the
State of the Union and ordered to be printed

Mr. COOLEY, from the Committee on Agriculture,
submitted the following

R E P O R T

[To accompany H. R. 5497]

The Committee on Agriculture, to whom was referred the bill (H. R. 5497) to amend the Watershed Protection and Flood Prevention Act, having considered the same, report favorably thereon with amendment and recommend that the bill do pass.

The amendment is as follows:

Page 1, following line 7, add the following new section:

SEC. 2. The Secretary of Agriculture shall not furnish or agree to furnish financial assistance to local organizations for the institution of works of improvement for recreational and fish and wildlife development pursuant to the authority of this Act prior to July 1, 1958.

STATEMENT

The purpose of this bill is to include facilities for recreation and for fish and wildlife development in projects undertaken pursuant to the Watershed Protection and Flood Prevention Act in such a way that the Federal Government will be authorized to bear a part of the cost of such facilities if there are significant benefits of national or regional character accruing from such facilities.

COMMITTEE AMENDMENT

The committee amendment provides that no Federal funds may be used in connection with improvements for recreational and fish and wildlife development prior to fiscal year 1959 by which time, presumably, provision will have been made in the Soil Conservation Service budget for such assistance.

DEPARTMENTAL APPROVAL

At the time of the hearing on this bill the Department of Agriculture had not had an opportunity to make a formal report on the measure. Therefore, the appearance before the subcommittee of Don A. Williams, Administrator, Soil Conservation Service, was in lieu of such report. Following is the statement of Mr. Williams, indicating a generally favorable attitude on the part of the Soil Conservation Service to this proposed legislation.

STATEMENT OF DON A. WILLIAMS, ADMINISTRATOR, ACCOMPANIED BY CARL B. BROWN, DIRECTOR, PLANNING DIVISION, SOIL CONSERVATION SERVICE

Mr. WILLIAMS. Mr. Chairman, I have a brief statement which will contain a little bit of repetition of some things that were just mentioned here with reference to the water resources policy recommendations that the President sent to the Congress.

We appreciate this opportunity to testify on H. R. 5497, a bill to amend the Watershed Protection and Flood Prevention Act.

Section 4 (2) (a) of the Watershed Protection and Flood Prevention Act, as amended, provides that—

“The Secretary shall require as a condition to provide Federal assistance for the installation of works of improvement that local organizations shall * * * assume * * * such proportionate share, as is determined by the Secretary to be equitable in consideration of direct identifiable benefits, of the costs of installing any works of improvement, involving Federal assistance, which is applicable to the agricultural phases of the conservation, development, utilization, and disposal of water * * *.”

H. R. 5497 would add at this place “or for recreational and fish and wildlife development.”

Thus, recreation and fish and wildlife developments would be eligible for some degree of Federal cost-sharing as a part of watershed projects if the Secretary finds that they produce other than direct identifiable benefits.

The provisions of H. R. 5497 are consistent with the recommendations contained in a Report of the Presidential Advisory Committee on Water Resources Policy which was transmitted to the Congress by the President on January 16, 1956.

Under the heading of “Recreation and Fish and Wildlife” this report states (p. 32):

“The committee believes that the enhancement or improvement of basic recreation facilities (provision for access, public health, safety and protection) and fish and wildlife resources of less than national significance should be treated in accordance with the general cost-sharing procedure proposed herein.”

The general cost-sharing procedure described in this report (p. 31) is as follows:

"The committee recommends, as a general policy, that all interests participate in the cost of projects in accordance with the measure of their benefits and that the Federal Government assume the cost of that part of projects where the benefits are widely dispersed and represent substantial contributions to the general economic growth of the country or region, or to the national defense.

"The division of costs between Federal and non-Federal entities should be equitably determined on the basis of the degree and character of the respective interests, and the ability to identify direct beneficiaries.

"Where the project is primarily of a local character, and where beneficiaries are readily identifiable, the Federal Government's contribution should be limited, with the non-Federal interests bearing a substantial portion of the construction costs of the project as well as the replacement maintenance, and operation costs."

Printed copies of H. R. 5497 have not yet become available to the Department and the Bureau of the Budget. It has not been possible, therefore, to establish any policy position on this proposed amendment.

As a matter of principle, however, the Department would take the view that recreation and fish and wildlife benefits of more than local character must be fully demonstrated before any Federal cost-sharing would be provided for installation of works of improvement.

Significant benefits of national or regional character should accrue to justify Federal cost-sharing. The Department reaffirms its position that the costs of producing purely local benefits should be borne by local organizations and that benefits which are confined within the limits of a State should be the primary responsibility of State government and local organizations.

Moreover, in the selection of projects for Federal assistance the Department would ordinarily give lower priority to projects in which recreation and fish and wildlife were dominant purposes than to those projects which were primarily for watershed protection, flood prevention, and agricultural water management.

On the other hand, it is our conviction that all types of water-management needs should be provided for in watershed projects. Where recreation and fish and wildlife are important elements in multiple-purpose watershed protection and development, they should be given full consideration in keeping with the potential benefits which may stem from them.

I might add to that, Mr. Chairman, that in several of the Public Law 566 projects that are now in the watershed planning stage that there are a number of recreational interests and fish and wildlife interests involved, and that even though the present act does not permit through the cost-sharing provisions in the Federal Government sharing in the cost of recreational and fish and wildlife purposes, that features of programs desired by local people are being included in the

watershed plans even though they are being paid for by other than Federal Government sources.

CHANGES IN EXISTING LAW

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, and existing law in which no change is proposed is shown in roman):

WATERSHED PROTECTION AND FLOOD PREVENTION ACT

* * * * *

SEC. 4. The Secretary shall require as a condition to providing Federal assistance for the installation of works of improvement that local organizations shall—

(1) acquire without cost to the Federal Government such land, easements, or rights-of-way as will be needed in connection with works of improvement installed with Federal assistance;

(2) assume (A) such proportionate share, as is determined by the Secretary to be equitable in consideration of the direct identifiable benefits, of the costs of installing any works of improvement, involving Federal assistance, which is applicable to the agricultural phases of the conservation, development, utilization, and disposal of water, *or for recreational and fish and wildlife development*, and (B) all of the cost of installing any portion of such works applicable to other purposes except that any part of the construction cost (including engineering costs) applicable to flood prevention and features relating thereto shall be borne by the Federal Government and paid for by the Secretary out of funds appropriated for the purposes of this Act.



85TH CONGRESS
1ST SESSION

H. R. 5497

[Report No. 990]

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 28, 1957

Mr. SIKES introduced the following bill; which was referred to the Committee on Agriculture

AUGUST 5, 1957

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Insert the part printed in italic]

A BILL

To amend the Watershed Protection and Flood Prevention Act.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 4 (2) (A) of the Watershed Protection and
4 Flood Prevention Act (Public Law 1018, Eighty-fourth
5 Congress) be amended by inserting immediately after “and
6 disposal of water”, the following: “or for recreational and
7 fish and wildlife development.”

8 *SEC. 2. The Secretary of Agriculture shall not furnish*
9 *or agree to furnish financial assistance to local organizations*
10 *for the institution of works of improvement for recreational*
11 *and fish and wildlife development pursuant to the authority*
12 *of this Act prior to July 1, 1958.*

85TH CONGRESS
1ST SESSION

H. R. 5497

[Report No. 990]

A BILL

To amend the Watershed Protection and Flood
Prevention Act.

By Mr. SIKES

FEBRUARY 28, 1957

Referred to the Committee on Agriculture

August 5, 1957

Reported with an amendment, committed to the Com-
mittee of the Whole House on the State of the
Union, and ordered to be printed

HOUSE OF REPRESENTATIVES
H. R. 5497

(Supplemental)

A BILL

For the relief of the United States Fish Commission

Enacted May 1907

Approved May 1907

Passed May 1907

Approved May 1907

Approved May 1907

Approved May 1907

23. RECLAMATION. Passed as reported H.R. 6940, to authorize the Secretary of the Interior to reimburse owners of lands acquired for developments under his jurisdiction for their moving expenses. p. 13846
24. CONSERVATION. Passed over, at the request of Rep. Byrnes, Wisc., S.J.Res. 35, to provide for the observance and commemoration of the 50th anniversary of the first conference of State governors for the protection of the natural resources of the U. S.. p. 13853
25. FORESTRY. Passed as reported H.R. 580, to authorize the exchange of certain land under the jurisdiction of the Forest Service with Mo.. p. 13853
26. WATER UTILIZATION. Passed with amendment H.R. 8465, to grant consent to the Klamath River Basin compact between Calif. and Ore.. pp. 13869-73
27. WATERSHEDS. Rejected, 45 to 80, a motion by Rep. Cooley to consider under suspension of the rules H.R. 5497, to subject recreational and fish and wildlife development projects to certain conditions in order to receive Federal assistance under the Watershed Protection and Flood Prevention Act. pp. 13888-92
28. COTTON. Passed without amendment H.R. 6765, to repeal the prohibitions against cotton acreage reports based on farmers' planting intentions. p. 13853
29. PERSONNEL. Passed as reported H.R. 4640, to amend the Civil Service Retirement Act to permit persons transferring to non-Act positions to retain voluntary contribution accounts. p. 13854
30. APPOINTMENTS. Rep. Halleck commended the appointment of Dr. Harry J. Reed, recently retired dean and director of the Purdue Univ. School of Agriculture, as the USDA coordinator of the rural development program. p. 13909
31. CENSUS. Passed without amendment S. 1631, to amend various sections of the U.S. Code entitled "Census" (pp. 13860-61). This bill will now be sent to the President. A similar bill, H.R. 7911, was tabled.
32. WATER POLLUTION. Passed over, at the request of Rep. Byrnes, Wisc., H.R. 6701, granting the consent and approval of Congress to the Tenn. River Basin Water Pollution Control Compact. pp. 13861-62
33. VOCATIONAL REHABILITATION. Passed as reported H.R. 8429, to amend the Vocational Rehabilitation Act so as to extend the time in which grants may be made to the States for vocational rehabilitation program expansion. p. 13862
34. INFORMATION. Passed without amendment H.J.Res. 313, designating the week of Nov. 22 to 28, 1957, as National Farm-City Week (p. 13906. This measure was reported without amendment earlier by the Judiciary Committee (H. Rept. 1194) (p. 13916).
35. MILK PRICES. Rep. Christopher objected to the necessity for holding hearings before the price of milk in the Md.-Va. area could be increased, pointing out that such hearings were not required before the prices of steel and gasoline were increased. p. 13842

12. FOREIGN AID. Sen. Smith, N.J., inserted four editorials criticizing the House cuts in the mutual security appropriation bill. pp. 1781-2
13. DISASTER-RELIEF APPROPRIATIONS. Sen. Cooper urged support for the committee amendment to H.R. 9131, to provide \$25 million to meet the emergency conservation needs of rural areas struck by natural disasters. p. 13788
14. ADMINISTRATIVE LAW. Sen. Clark proposed a substitute for S. 2377, to provide for the production of statements and reports by witnesses, which would require the Government to bring forward statements of prospective witnesses before they were to testify, and grant the trial court authority to determine its actions if such were not done. pp. 13788-9
15. TRANSPORTATION. Sen. Sparkman inserted an Ala. Legislature resolution urging the repeal of the excise taxes on transportation. p. 13760
16. GOVERNMENT COMPETITION. The Select Small Business Committee submitted a report "Government Competition With Private Business" (S. Rept. 1015). pp. 13760-1
17. LEGISLATIVE PROGRAM. Sen. Mansfield announced there would be a call of the calendar for the passage of unobjected-to bills today, Aug. 20.. pp. 13784, 13792

HOUSE

18. WHEAT. Agreed to the conference report on S. 959, to exempt certain wheat producers from liability where all the wheat crop is fed or used for seed or food on the farm where produced. pp. 13908-09
19. MEATPACKERS. Reps. Mack and Hagen expressed gratification that consideration of H.R. 9020, to transfer certain work under the Packers and Stockyards Act to FTC, had been postponed, and expressed the hope that the measure would not be considered until next year. pp. 13900-03
20. TRANSPORTATION. Agreed to the conference report on S. 939, relative to rendering transportation services to the Government at free or reduced rates. The bill as agreed to amends Sec. 22 (providing for Government transportation services at free or reduced rates) of the Interstate Commerce Act so as to provide that Sec. 22 quotations issued by carriers must be filed immediately with the ICC in order that they can be made available to the general public, and also includes a provision making Sec. 5a of the ICC Act, which authorizes immunity from the antitrust laws of carriers under certain conditions, applicable to all Sec. 22 quotations made to the Federal Government. pp. 13903-06
Passed, under suspension of the rules, H.R. 5384, to amend the Interstate Commerce Act so as to provide for the preservation of competitive through routes for rail carriers. pp. 13882-83
21. ATOMIC ENERGY. Conferees were appointed on H.R. 8996, authorizing appropriations for AEC to acquire or construct power reactor facilities. (p. 13842)
Senate conferees were appointed Aug. 16.
Concurred in the Senate amendment to H.R. 7383, to provide Governmental indemnity and limitations on private liability for atomic energy hazards of certain licensees (p. 13842). This bill will now be sent to the President.
22. WATER RESOURCES. Conferees were appointed on S. 1482, to amend the Columbia Basin Project Act so as to increase the limitation on the acreage which one family might have of irrigated land (p. 13843). Senate conferees were appointed Aug. 15.

of the cars were made back in 1907. I noticed a car dated 1920, and that was no exception. One of these days this big industry of this country will be asking for help. They know that with the Government guarantee or loan they can obtain money much cheaper than they can without the Government help.

The SPEAKER. The question is on suspending the rules and passing the bill.

The question was taken; and on a division (demanded by Mr. TABER) there were—ayes 87, nays 44.

Mr. HARRIS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—ayes 242, nays 94, not voting 96, as follows:

[Roll No. 199]

YEAS—242

Abernethy	Durham	Loser
Adair	Eberharter	McCulloch
Addonizio	Edmondson	McDonough
Albert	Elliot	McFall
Allen, Ill.	Engle	McGovern
Anderson,	Evins	McGregor
Mont.	Fallon	McIntire
Andrews	Fascell	McMillan
Arends	Fisher	Machrowicz
Ashmore	Flood	Mack, Ill.
Aspinall	Flynt	Mack, Wash.
Avery	Fogarty	Madden
Bailey	Forand	Mahon
Baker	Forrester	Martin
Baring	Fountain	Matthews
Barrett	Frazier	Merrrow
Bass, Tenn.	Friedel	Metcalf
Beckworth	Garmatz	Mills
Belcher	Gathings	Montoya
Bennett, Fla.	Gavin	Morano
Betts	Granahan	Morgan
Blatnik	Grant	Morris
Boggs	Gray	Moss
Bolling	Green, Oreg.	Moulder
Bolton	Green, Pa.	Multer
Bonner	Gregory	Murray
Boykin	Griffiths	Natcher
Boyle	Hagen	Neal
Breeding	Hale	Nimtz
Brooks, La.	Haley	Norrell
Brooks, Tex.	Halleck	O'Brien, Ill.
Brown, Ga.	Harden	O'Hara, Ill.
Brown, Mo.	Harris	Passman
Brown, Ohio	Harvey	Patterson
Broyhill	Henderson	Perkins
Burdick	Herlong	Pfost
Burleson	Hill	Poage
Byrd	Hollfield	Polk
Byrne, Pa.	Holland	Porter
Cannon	Holmes	Price
Carnahan	Holt	Rabaut
Carrigg	Horan	Radwan
Celler	Hosmer	Rains
Chelf	Huddleston	Reece, Tenn.
Chenoweth	Hull	Reed
Chiperfield	Hyde	Rees, Kans.
Christopher	Ikard	Reuss
Clark	Jarman	Rhodes, Ariz.
Coffin	Jenkins	Rhodes, Pa.
Cole	Johnson	Riehlman
Colmer	Jones, Ala.	Riley
Cooley	Jones, Mo.	Rivers
Cooper	Judd	Roberts
Cramer	Karsen	Rodino
Cretella	Keans	Rogers, Colo.
Cunningham,	Kee	Rogers, Fla.
Iowa	Kelley, Pa.	Rogers, Mass.
Davis, Ga.	Kelly, N. Y.	Rogers, Tex.
Davis, Tenn.	Kilday	Rogers
Dawson, Utah	Kilgore	Roosevelt
Dempsey	King	Rutherford
Denton	Kirwan	Sadlak
Devereux	Knutson	Saund
Dingell	Landrum	Saylor
Dixon	Lanham	Schenck
Dooly	Lankford	Schwengel
Dorn, S. C.	Lennon	Scott, N. C.
Dowdy	Lesinski	Scott, Pa.

Scrivner
Sculder
Seely-Brown
Selden
Shelley
Sheppard
Sieminski
Sikes
Siler
Slisk
Smith, Miss.
Spence
Springer
Steed

Sullivan
Taylor
Teague, Calif.
Thompson, N. J.
Thompson, Tex.
Thomson, Wyo.
Thornberry
Tollefson
Trimble
Tuck
Ullman
Utt
Van Zandt
Vinson

Vorys
Watts
Whitten
Widnall
Wilson, Calif.
Wilson, Ind.
Winstead
Wolverton
Wright
Young
Younger
Zablocki

NAYS—94

Abbott
Alexander
Andersen,
H. Carl
Andresen,
August H.
Ashley
Auchincloss
Baldwin
Bates
Bennett, Mich.
Berry
Blitch
Boland
Bosch
Bow
Broomfield
Budge
Bush
Byrne, Ill.
Byrnes, Wis.
Canfield
Cederberg
Church
Clevenger
Collier
Corbett
Cunningham,
Nebr.
Curtin
Curtis, Mass.
Dague
Dorn, N. Y.

Dwyer
Feighan
Ford
Frelinghuysen
Gary
Griffin
Gross
Hardy
Harrison, Nebr.
Harrison, Va.
Haskell
Heslton
Hess
Hoeven
James
Jensen
Johansen
Jonas
Kean
Keating
Kenney
Kitchin
Lane
Latham
LeCompte
Lipscomb
McIntosh
McVey
Marshall
Meador
Michel
Miller, Nebr.
Mumma

Nicholson
O'Konski
Ostertag
Patman
Pelly
Poff
Prouty
Ray
Robeson, Va.
Scherer
Shuford
Simpson, Ill.
Smith, Calif.
Smith, Kans.
Smith, Va.
Smith, Wis.
Stauffer
Taber
Talle
Tewes
Thomas
Vanik
Van Pelt
Vursell
Walter
Weaver
Westland
Wier
Wigglesworth
Withrow
Yates

NOT VOTING—96

Alger
Allen, Calif.
Anfuso
Ayres
Barden
Bass, N. H.
Baumhart
Beamer
Becker
Bentley
Bray
Brownson
Buckley
Chamberlain
Chudoff
Codd
Coudert
Curtis, Mo.
Dawson, Ill.
Delaney
Dellay
Dennison
Derounian
Dies
Diggs
Dollinger
Donohue
Doyle
Farbsteln
Fenton
Fino
Fulton

George
Gordon
Gubser
Gwinn
Hays, Ark.
Hays, Ohio
Healey
Hébert
Hemphill
Hiestand
Hillings
Hoffman
Holtzman
Jackson
Jennings
Kearney
Keogh
Kilburn
Kluczynski
Knox
Krueger
Laird
Long
McCarthy
McConnell
McCormack
Macdonald
Magnuson
Mailliard
Mason
May
Miller, Calif.

Mr. Philbin with Mr. Ayres.
Mr. Donohue with Mr. Kearney.
Mr. O'Neil with Mr. Hiestand.
Mr. Preston with Mr. Hoffman.
Mr. Pilcher with Mr. Sheehan.
Mr. Dawson of Illinois with Mr. Osmer.
Mr. Diggs with Mr. Norblad.

Mr. Miller of California with Mr. Miller of Maryland.

Mr. Doyle with Mr. May.
Mr. Kluczynski with Mr. Coudert.
Mr. Hemphill with Mr. Hillings.
Mr. Williams of Mississippi with Mr. Kilburn.

Mr. Jennings with Mr. Robinson of Kentucky.

Mr. Gordon with Mr. Fulton.
Mr. Dies with Mr. Fino.
Mr. Chudoff with Mr. Dellay.
Mr. Hays of Arkansas with Mr. Brownson.
Mr. Keogh with Mr. Bass of New Hampshire.
Mr. Anfuso with Mr. Beamer.
Mr. Holtzman with Mr. Jackson.
Mr. Buckley with Mr. Krueger.
Mr. Farbsteln with Mr. Derounian.
Mr. Dollinger with Mr. Dennison.
Mr. Delaney with Mr. O'Hara of Minnesota.
Mr. Santangelo with Mr. Minshall.
Mr. Healey with Mr. Miller of New York.
Mr. O'Brien of New York with Mr. Mailliard.
Mr. Powell with Mr. Bentley.
Mr. Zelenko with Mr. Gwinn.
Mr. Teller with Mr. Wainwright.
Mr. Teague of Texas with Mr. Chamberlain.
Mr. Whitener with Mr. Moore.
Mr. McCarthy with Mr. Knox.
Mr. Barden with Mr. Gubser.
Mr. Coad with Mr. Curtis of Missouri.
Mr. Magnuson with Mr. Laird.
Mr. Staggers with Mr. Mason.

Mr. LANKFORD changed his vote from "nay" to "yea."

Mr. JUDD changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The doors were opened.

Mr. HARRIS. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (S. 2229) to provide for Government guaranty of private loans to certain air carriers for purchase of modern aircraft and equipment, to foster the development and use of modern transport aircraft by such carriers, and for other purposes, strike out all after the enacting clause and substitute the provisions of H. R. 7993 as just passed by the House.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. HARRIS: Strike out all after the enacting clause and insert the following:

"That it is hereby declared to be the policy of Congress, in the interests of the commerce of the United States, the postal service, and the national defense to promote the development of local, feeder, and short-haul air transportation. In furtherance of this policy it is deemed necessary and desirable that provision be made to assist certain air carriers engaged in such air transportation by providing governmental guarantees of loans to enable them to purchase aircraft suitable for such transportation on reasonable terms.

"SEC. 2. As used in this act—

"(a) 'Board' means the Civil Aeronautics Board.

"(b) 'Aircraft purchase loan' means any loan, or commitment in connection therewith, made for the purchase of a commercial transport aircraft, including spare parts normally associated therewith.

"SEC. 3. The Board is hereby authorized to guarantee any lender against loss of principal or interest on any aircraft purchase loan made by such lender to any air carrier holding a certificate of public convenience and necessity issued by the Board (a) designated therein to be for local or feeder air service, or (b) providing for operations wholly within the Territory of Hawaii, or (c) providing for operations (the major portion of which are conducted either within Alaska or between Alaska and the United States) within the Territory of Alaska (including service between Alaska and the United States, and between Alaska and adjacent Canadian territory), or (d) providing for operations within the Commonwealth of Puerto Rico (including service to the Virgin Islands and the Dominican Republic), or (e) providing for operations between Florida and the British West Indies (including service to Cuba), or (f) for the purpose of authorizing metropolitan helicopter service. Such guaranty shall be made in such form, on such terms and conditions, and pursuant to such regulations, as the Board deems necessary and which are not inconsistent with the provisions of this act.

"SEC. 4. No guaranty shall be made:

"(a) Extending to more than the unpaid interest and 90 percent of the unpaid principal of any loan.

"(b) On any loan or combination of loans for more than 90 percent of the purchase price of the aircraft, including spare parts, to be purchased therewith.

"(c) On any loan whose terms permit full repayment more than 10 years after the date thereof.

"(d) Wherein the total face amount of such loan, and of any other loans to the same carrier, or corporate predecessor carrier or carriers, guaranteed and outstanding under the terms of this act exceed \$5 million.

"(e) Unless the Board finds that, without such guaranty, in the amount thereof, the air carrier would be unable to obtain necessary funds for the purchase of needed aircraft on reasonable terms.

"SEC. 5. The Board shall prescribe, either specifically or by limits, rates of interest, guaranty fees, and such other reasonable fees or charges as it may require in connection with guaranty of aircraft purchase loans.

"SEC. 6. (a) To permit it to make use of such expert advice and services as it may require in carrying out the provisions of this act, the Board may use available services and facilities of other agencies and instrumentalities of the Federal Government with their consent and on a reimbursable basis.

"(b) Departments and agencies of the Federal Government shall exercise their powers, duties, and functions in such manner as will assist in carrying out the objectives of this act.

"SEC. 7. (a) Receipts from fees and charges under this act shall be credited to miscellaneous receipts of the Treasury.

"(b) Payments to lenders required as a consequence of any guaranty under this act may be made from funds which are hereby authorized to be appropriated to the Board for that purpose.

"(c) Administrative expenses under this act shall be paid from appropriations to the Board for administrative expenses.

"SEC. 8. This act shall become effective upon enactment, and the authority contained in section 3 hereof shall expire 5 years thereafter.

The amendment was agreed to.

The Senate bill was ordered to be read a third time and was read the third time.

A motion to reconsider was laid on the table.

The proceedings whereby the bill H. R. 7993 was passed were vacated and that bill was laid on the table.

RECREATIONAL ASPECTS OF WATERSHED PROJECTS

The SPEAKER. The Chair recognizes the gentleman from North Carolina [Mr. COOLEY].

Mr. COOLEY. Mr. Speaker, I move to suspend the rules and pass the bill (H. R. 5497) to amend the Watershed Protection and Flood Prevention Act, as amended.

The Clerk read the title of the bill.

The Clerk read the bill as follows:

Be it enacted, etc., That section 4 (2) (A) of the Watershed Protection and Flood Prevention Act (Public Law 1018, 84th Cong.) be amended by inserting immediately after "and disposal of water," the following: "or for recreational and fish and wildlife development."

SEC. 2. The Secretary of Agriculture shall not furnish or agree to furnish financial assistance to local organizations for the institution of works of improvement for recreational and fish and wildlife development pursuant to the authority of this act prior to July 1, 1958.

The SPEAKER. Is a second demanded?

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I demand a second.

Mr. COOLEY. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. COOLEY. Mr. Speaker, I yield 5 minutes to the gentleman from Florida [Mr. SIKES].

(Mr. SIKES asked and was given permission to revise and extend his remarks.)

Mr. SIKES. Mr. Speaker, H. R. 5497 is intended to make recreation, fish, and wildlife projects eligible for Federal participation under the watershed acts. The statement as carried in House Report No. 990 says:

The purpose of the bill is to include facilities for recreation and for fish and wildlife development in projects undertaken pursuant to the Watershed Protection and Flood Prevention Act in such a way that the Federal Government will be authorized to bear a part of the cost of such facilities if there are significant benefits of national or regional character accruing from such facilities.

I would like to point to the fact, Mr. Speaker, that representatives from the Department of the Interior and representatives from the Department of Agriculture appeared and testified for this bill.

Mr. Speaker, in my district, and I am sure this is true also in many other districts in the Nation, there are communities whose economic welfare is directly or indirectly based primarily on recreational activities and the businesses

which stem from those activities. I have long felt that these communities should not be discriminated against simply because they do not have sources of income such as agriculture. I believe they should be given the same privileges of financial participation in the watershed program as other communities with economic factors whose development is now associated with Federal financing.

Mr. Speaker, I wish to quote the Presidential Advisory Committee report on water resources policy dated December 22, 1955. The following statements appear on page 29 of that report:

The committee has considered many cost-sharing proposals and has weighed carefully the elements of fairness to all concerned and precedents for sharing the cost of other programs.

Further, it gave due recognition to the types of benefits accruing to individuals, groups of individuals, local and State governments, and the Nation as a whole.

It was unable to discover for all cases a completely equitable yet practicable procedure for cost sharing based solely on the principle of sharing costs in proportion to benefits.

The committee recommends, as a general policy, that all interests participate in the cost of projects in accordance with the measure of their benefits, and that the Federal Government assume the cost of that part of projects where the benefits are widely dispersed and represent substantial contributions to the general economic growth of the country or region, or to the national defense.

Then on page 32 the policy reports states this:

The committee believes that the enhancement or improvement of basic recreation facilities (provision for access, public health, safety, and protection) and fish and wildlife resources of less than national significance should be treated in accordance with the general cost-sharing procedure proposed herein. Those of national significance should be financed entirely by the Federal Government.

Then, Mr. Speaker, I quote from President Eisenhower's state of the Union message of January 10, 1955, where he stated:

Our soil, water, mineral, forest, fish, and wildlife resources are being conserved and improved more effectively. Their conservation and development are vital to the present and future strength of the Nation.

Mr. Speaker, I submit that more and more people have time for recreation in this age in which we now live. Recreation is becoming of greater importance to a larger number of people, and recreational activities now contribute economic benefits to a great many communities. Therefore, I feel that it should be included in the programs which participate in Federal benefits under the watershed bill which has operated so successfully for a number of years.

Mr. ASPINALL. Mr. Speaker, will the gentleman yield?

Mr. SIKES. I yield to the gentleman from Colorado.

Mr. ASPINALL. I think the gentleman from Florida has made a very good case for such benefits as are included in this bill. Did I understand the gentleman to state that this is bringing the small watershed law in conformity with other procedures in other developments,

referring, I suppose, to the reclamation program?

Mr. SIKES. This act would add recreational, fish and wildlife projects to those that are now eligible for watershed project benefits.

The SPEAKER. The time of the gentleman from Florida has expired.

Mr. COOLEY. Mr. Speaker, I yield the gentleman 2 additional minutes.

Mr. ASPINALL. It is true that the present legislation authorizes such benefits for flood control?

Mr. SIKES. That is correct.

Mr. ASPINALL. What this legislation seeks to do is to bring in benefits, non-reimbursable benefits, for fish and wildlife and recreation?

Mr. SIKES. Yes.

Mr. ASPINALL. The gentleman is not advising the House that in reference to reclamation or any other of our programs that we have the benefits of fish and wildlife and recreation are non-reimbursable by general policy?

Mr. SIKES. That is correct.

Mr. ASPINALL. In other words, they are nonreimbursable only by special authorization in the authorizing bill?

Mr. SIKES. That, I believe, is correct.

Mr. BOW. Mr. Speaker, will the gentleman yield?

Mr. SIKES. I yield to the gentleman from Ohio.

Mr. BOW. Can the gentleman advise the House the approximate cost of this program if it goes into effect.

Mr. SIKES. It is not possible to determine the exact cost. That is something that will depend upon the number of projects that are approved under this program. I can give the gentleman an idea of what the watershed program is now costing. Anything further to be applicable directly to this bill would be only an estimate.

Mr. BOW. I would like that, but I am interested also to know how much this particular item would cost.

Mr. SIKES. I can give no figures, but I would think the cost would be only a small addition to the present cost of the watershed program.

If I might proceed for a moment, I should like to point out that under the flood prevention watersheds programs, of which there are 11 in the Nation, for 1957 there was available \$13,740,000. For the pilot projects under the watershed program—these are demonstration projects and there are some 55 in the Nation—there was available, in 1957, \$8,414,000. Under Public Law 566, which is the watershed protection and flood prevention amendment passed by Congress a year or so ago, there was available, in 1957, \$6,165,000. Now, that is a total of about \$28 million available under the entire program for 1957. I use 1957 figures because that is the last complete year on which we have cost figures. I would assume that the recreation and fish and wildlife projects would add a comparatively small sum to that. Eligibility will be limited and the Congress will have the last word in deciding what amounts to appropriate. I hesitate to say how much; maybe three or four million dollars a year. It would depend entirely on how many of these projects are

deemed to be worthy of approval and acceptable to the Congress for the program.

Mr. BOW. Mr. Speaker, will the gentleman yield further?

Mr. SIKES. Yes.

Mr. BOW. Would the gentleman advise the House whether or not, by the inclusion of fish and wildlife and these watershed programs, it might cut down the number of other worthy watershed projects throughout the country?

Mr. SIKES. I can see no reason why it would cut down the number of other watershed projects. I have considered this would be in addition to the existing program. If that is true and Congress provides for such projects by direct appropriation, other types of watershed projects could not be adversely affected.

Mr. BOW. By additional appropriations?

Mr. SIKES. Yes.

Mr. BOW. If it did not have an additional appropriation, then it would have a tendency to cut down the number of other worthy projects.

Mr. SIKES. That is conceivable, yes. Congress would have complete control of that feature.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, this bill was unanimously reported by the House Committee on Agriculture as a meritorious conservation bill in connection with the existing program. I hope the bill will pass and that we will not have any difficulty under suspension of the rules.

Mr. TABER. Mr. Speaker, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from New York.

Mr. TABER. Mr. Speaker, I have in my hand what is supposed to be the report of the committee on this bill. Here is what it says on page 3: Printed copies of H. R. 5497 have not yet become available to the department and the Bureau of the Budget. It has been impossible, therefore, to establish any policy position on this proposed amendment.

Now, I wonder why it is that the committee brings a bill of this kind in, that really is designed to slow down the coverage for legitimate purposes of the Watershed Protection Act, without any report at all.

Mr. SIKES. Mr. Speaker, if the gentleman will yield, I cannot speak for the committee, but I would like to point out that hearings were held on this bill back in January. The departments have had ample time to produce any report they wanted to. Printed copies certainly have been available during all that time, and witnesses from the Department of Agriculture and the Department of the Interior appeared and testified in support of the bill.

Mr. TABER. Does that mean, I wonder, that the committee did not want them to have the bill or that the committee as late as August 5, when it reported the bill, did not have available the bill that was introduced on February 28 this year? It sounds kind of funny, that is all.

Mr. POAGE. Mr. Speaker, if the gentleman will yield, on February 28, 1957,

the bill was printed. On March 5, 1957, the committee held hearings, and on March 5, 1957, Mr. Williams, the head of the Soil Conservation Service, testified, which the gentleman has quoted from Mr. Williams' statement before the committee. The very next paragraph points out that as a matter of principle, however, the department would take the view that recreation and fish and wildlife benefits are of more than local character and must be fully demonstrated before any Federal cost sharing would be provided. The department did have a printed bill before the one that was before the committee. It had been available for about 10 days.

Mr. TABER. Why would we get such language as this, then, in the committee report? I cannot understand it.

The SPEAKER. The time of the gentleman from Minnesota has expired.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I yield 5 minutes to the gentleman from California [Mr. ENGLE].

Mr. ENGLE. Mr. Speaker, I desire to call the attention of the House to two matters in respect to this legislation. The first is with regard to the draftsmanship of the bill. I refer to page 4 of the committee report in which the Ramseyer Rule is complied with. If you will look at the way that language is put into this bill, it would authorize a Federal contribution to projects for recreation and fish and wildlife; no irrigation, no flood control, no nothing. In other words, if someone wants to build a project for recreation and raise some fish or build a duckpond and can find what may be construed by the Secretary of Agriculture as a national interest, then a Federal contribution would be in order.

I do not believe that is what this bill is intended to do. I think when they drafted this bill they intended that where they were building a water project under the Watershed Protection Act and there were incidental recreation features, they might be included. And, if there was a national interest, that might be compensated for by the Federal Government by a contribution. But that is not what the bill does. The bill adds the words which are in italics in the report, "or for recreational and fish and wildlife development."

Very obviously, they have set up a bill here that would authorize a Federal contribution in a field never contemplated and for which there is no precedent whatever in Federal law.

That brings me to the second point that I want to make, which is this. This is major legislation. This bill establishes a national policy because if the Federal Government is going to make a contribution for national recreational benefits in one of these acts—and this is the Watershed Act—then what are we going to do about reclamation? At the present time there is no authorization in Federal law for contributions for national benefits or any benefits so far as recreation is concerned. The same is true with reference to flood control. We have often felt throughout the West that these great irrigation and flood-control projects should have some allowance for

recreation. This bill is bad in its draftsmanship and should be defeated on that ground alone. You must remember that when a bill comes before the House under suspension of the rules it is not subject to amendment and cannot be perfected, cannot be broadened to reflect national policy when national policy is involved if that is desirable. This bill involves significant national policy. This bill is very bad in its draftsmanship and does not do what the author intended. If it comes to the floor it should not come under suspension of the rules but should come in such form that it is subject to amendment and so that matters of national policy can be considered. For instance, the participation of reclamation projects of the same character, flood-control projects of the same character could be included; it is at that point that the matter brought up by the gentleman from New York, [Mr. TABER], becomes very important.

We are not dealing with just one little aspect of this problem, we are going to have to deal with at all. If we pass this legislation and apply it to one feature of the watershed development we are going to have to apply it to all. It does not involve a matter of just a few million dollars.

Mr. TABER. Mr. Speaker, will the gentleman yield?

Mr. ENGLE. I yield to the gentleman from New York.

Mr. TABER. There was a bill from the gentleman's committee that was involved, and when it got on the floor the gentleman was delighted to amend it. I just want to say that about the gentleman; that is all.

Mr. ENGLE. I thank the gentleman very much. I would say that in this instance this bill is not subject to amendment. It cannot be amended under suspension of the rules. This language cannot even be perfected.

Mr. SIKES. Mr. Speaker, will the gentleman yield?

Mr. ENGLE. I yield to my friend the gentleman from Florida.

Mr. SIKES. Is the gentleman opposed to including recreational and fish and wildlife development participation under Federal benefits, or is he opposed to the fact that this bill does not include all activities?

Mr. ENGLE. I am opposed to this bill on the ground that the draftsmanship is bad. It has to be changed. I am not opposed to including recreational benefits which have a national character, where incidental to the main purpose of a project.

Mr. SIKES. The gentleman could have brought such a bill from his own committee if he had wanted to.

Mr. ENGLE. Yes. I say, if you adopt that policy, let us put them all in one basket and do it all at the same time.

Mr. SIKES. If the gentleman is willing to do that, why does he oppose this bill?

Mr. COOLEY. Mr. Speaker, will the gentleman yield?

Mr. ENGLE. I yield to the gentleman from North Carolina.

Mr. COOLEY. Will the gentleman just tell the House what is wrong with

the draftsmanship of this bill? The gentleman knows and I know that the Committee on Agriculture could not with propriety report a bill dealing with matters which come before the gentleman's own committee. The Watershed Act was written in our committee, and here we are amending the Watershed Act. What is wrong with the draftsmanship?

Mr. ENGLE. This is what is wrong with the draftsmanship. This bill is written in such a way that when the words "or for recreational and fish and wildlife development," are added, it permits Federal participation in recreational benefits where a project was built for no other purpose. The project could be wholly or predominately for recreation. That is not what was intended. I know the gentleman did not intend that.

Mr. COOLEY. Only insofar as the Watershed Act is involved, and no projects will be undertaken other than those contemplated under the original act which we are here amending.

Mr. ENGLE. I call attention to the statement made by the witness who came up from Agriculture. He very definitely called attention to that very feature. If recreation benefits are incidental to the aims and purposes of a Water Protective Act, of course; but this goes further than that.

Mr. SIKES. Can the gentleman tell me why recreational and fish and wildlife development projects should not participate in Federal benefits when they are a major source of livelihood of a community?

Mr. ENGLE. I am not in favor of adopting basic national policy under suspension of the rules.

Mr. SIKES. The gentleman practically has supported it otherwise and is willing to support it for reclamation projects when it would come from his committee.

Mr. ENGLE. I say that this involves basic national policy, and that is whether or not the Federal Government is going to contribute for recreational benefits on water projects where it has recreational benefits of a national character. If we are going to adopt that policy we should adopt a uniform policy for projects built by the Army engineers under flood control, projects built by the Bureau of Reclamation under the Reclamation Act, and projects built by the Department of Agriculture under the Watershed Protection Act.

This bill seeks to apply this in a very, very crude way to one particular act, which establishes a matter of national policy under conditions of floor debate that do not permit us to perfect the bill or make changes in it relating to national policy.

Mr. COOLEY. If the gentleman has no objection to the policy, why does not the gentleman report some legislation from his own committee? We have gone as far as we could go. The gentleman knows that we could not report a bill that affected other agencies of the Government such as are within the jurisdiction of the gentleman's committee.

Mr. ENGLE. We have legislation pending on this at the present time.

Mr. COOLEY. Why not bring it out?

Mr. ENGLE. We can dig only one post hole at a time.

Mr. COOLEY. That is right; and why do you not dig one now?

Mr. ENGLE. We had 18 bills on the Consent Calendar today.

Mr. COOLEY. But the gentleman is not opposed to the policy.

The SPEAKER. The time of the gentleman from California has expired.

Mr. COOLEY. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. POAGE], chairman of the subcommittee that handled this bill.

Mr. POAGE. Mr. Speaker, the objections that have been raised to this bill have all been of a jurisdictional nature. None of them have been to the merits of the bill. In fact, those who have been so strenuous in their objections to this bill have said that they favor the inclusion of recreational benefits in the determination of the cost-benefit ratio. That is all this bill does. This bill does not change the basis on which a watershed flood-prevention project may be organized or established. But, it does change the basis of the cost to benefit ratio calculation.

Mr. JONES of Alabama. Mr. Speaker, will the gentleman yield?

Mr. POAGE. I yield.

Mr. JONES of Alabama. How does the gentleman propose the mathematical calculation to take place in making an estimate as to how much will be apportioned to recreation or to fishing activities in relationship to the total cost of the project?

Mr. POAGE. We have not attempted to do that any more than we have attempted in the past to determine what portion of it should be allocated to flood prevention and what portion of it should be allocated to municipal waters. We have left those things for the determination in each case. If perchance, there is need for municipal water or irrigation water to a certain extent in any project this may all be taken into consideration. But, they may not be used in the determination of the cost share. Under this bill the same rule will apply as to recreation.

Mr. JONES of Alabama. Mr. Speaker, will the gentleman from Texas yield further?

Mr. POAGE. If the gentleman would just let me explain this bill, I will be glad to yield to him. I would like to clear this basic matter up first, because we have had so much speaking on the other side. I would like to have an opportunity to try to lay this matter out for the committee before I yield further, if I may.

Mr. JONES of Alabama. May I point out to the gentleman that the question I was going to ask would be appropriate at this time in the gentleman's discussion.

Mr. POAGE. I know, but if the gentleman will let me pursue the matter in my own way, I will then be glad to try to discuss the questions he has, if he will permit me. I would like to cover this matter first. I do not want to be rude to the gentleman, but we have heard the opposition 2 or 3 times and I would like

to make something quite clear as to what this bill does and what it does not do.

In the first place, it is intimated that this bill changes the basis upon which you can establish a flood prevention district. It does not do that. This bill does not even amend those sections of the law that relate to flood prevention. It amends only 1 section of the law and in only 1 place, and that relates to the cost-to-benefit ratio and adds to the amount that the Government can contribute for recreation features. Under the present law, there is no way in which the Federal Government can share in the cost of recreational benefits. If you pass this bill, there will be. That is all there is to it. The chairman of the Committee on Interior and Insular Affairs says that he is for that. He tells us we ought to take these benefits into consideration and that that is all good—and we think so too. But, he says the Committee on Agriculture did not amend those sections of the law that were written by his committee or by the Committee on Public Works in the past; and that is very true.

The Committee on Agriculture tried very carefully not to infringe on the jurisdiction of anybody else. We did not amend the reclamation laws for which the gentleman's committee is responsible. We did not amend the flood control laws for which the Committee on Public Works is responsible. We amended only one law and that one law came from the Committee on Agriculture. It does not involve any other committee. It involves the functions of the Committee on Agriculture alone and only that committee. Had we attempted to spread ourselves out and take in everybody else's jurisdiction, you all know what would have happened. There would have been a howl go up by very people who are now asking why we did not make the bill more inclusive. They would be saying "You are infringing on our jurisdiction. You have been stepping into territory where you have no right to step." That is exactly what would have happened and every one of you know it. So we tried to do the nice, and reasonable and the considerate thing and we left everybody else alone. If the Committee on Interior and Insular Affairs wants to bring out a bill that does for their projects just exactly what this does for agriculture, we will support it. If the Committee on Public Works wants to bring out a bill that does for their projects what this does for agriculture, we will support that, but we are not trying to write legislation for either Interior or Public Works.

Mr. COOLEY. Mr. Speaker, will the gentleman yield?

Mr. POAGE. I yield.

Mr. COOLEY. I would like to ask the gentleman to let me call attention to the fact that when Mr. Williams was before the committee he was asked this question:

At the present time you say you can include facilities for or related to fish, wildlife, and recreation as part of the project undertaken under this; is that correct?

Mr. Williams' answer is, "That is correct."

I just want to point out that all we are trying to do is to permit Federal participation; whereas, up to this time it has not been permitted.

Mr. POAGE. That is all it does. It relates only to a project authorized under Public Law 566, and no other bill.

Mr. MILLER of Nebraska. Mr. Speaker, will the gentleman yield?

Mr. POAGE. I yield.

Mr. MILLER of Nebraska. Will this make it easier for communities to get watershed projects because they have made smaller contributions?

Mr. POAGE. We think it will.

Mr. ENGLE. Mr. Speaker, will the gentleman yield?

Mr. POAGE. I yield.

Mr. ENGLE. Will the gentleman explain what the report means on page 3:

Moreover, in the selection of projects for Federal assistance the Department would ordinarily give lower priority to projects in which recreation and fish and wildlife were dominant purposes than to those projects which were primarily for watershed protection, flood prevention, and agricultural water management.

Is it the intention of this legislation to have the Federal Government participate in projects which primarily have recreation or are dominantly for recreational purposes under this legislation?

Mr. POAGE. What the gentleman is reading from is a quotation from Mr. Williams of the Soil Conservation Service. Of course that is quoted in the committee report, but he is reading from a quotation from the Soil Conservation Service itself which says that:

Significant benefits of national or regional character should accrue to justify Federal cost sharing. The Department reaffirms its position that the cost of producing purely local benefits should be borne by local organizations.

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I yield 3 minutes to the gentleman from Arizona [Mr. RHODES].

(Mr. RHODES of Arizona asked and was given permission to revise and extend his remarks.)

Mr. RHODES of Arizona. Mr. Speaker, I would like to point out a few things which are in this bill. It seems to me that this committee report, with all due respect to the great Committee on Agriculture, leaves a great deal to be desired. There is no place in the committee report where it says one thing about the cost of this particular bill. I would like to yield to the chairman of the subcommittee or the chairman of the full committee to ask him if there is any estimate as to the probable cost to the Government.

Mr. POAGE. If the gentleman will yield, I think the gentleman from Florida [Mr. SIKES] answered that question very well when he said there is not anybody who can tell how much this will amount to. It will be a rather small item, because there will be relatively few projects on which there is a national or regional character of recreational benefits. But this bill would allow that portion which is attributable in proportion to the cost shared to the Federal Government.

Probably 90 percent of all the projects will make no contribution.

Mr. RHODES of Arizona. As I read the compliance with the Ramseyer rule, section 4 (2) A of the act sets forth the reasons for a project under which the Federal Government may assume a portion of the cost, and it adds to those reasons "recreation, fish, and wildlife." Has there been any study on the part of the committee of past projects to determine what would have happened as to the cost to the Government of those projects in the event this particular item had been in the law prior to this time?

Mr. POAGE. We found there were no past projects that we know of. There could not be any under this. Actually, the only project that has been presented so far has been this lake in Florida in which we do have a migratory bird and fishery situation.

Mr. RHODES of Arizona. Then, what is the urgency in passing this bill if there is no more need for it, than is apparent? The gentleman states that there have been no projects to which the amendments contained in this bill could apply.

Mr. POAGE. There is need for it. If it happened to be in Arizona and if it involved a flight of migratory birds or the movement of ocean fishes, we would think it would be just as important as if it were in Florida. We think it is important in Florida. Although there was one member of the Committee on Agriculture from Florida he did not represent that district. The committee did not report out the bill on the basis that it would help anybody's district but that it helped the United States as a whole.

Mr. RHODES of Arizona. Mr. Speaker, I yield to the gentleman from California.

Mr. ENGLE. Mr. Speaker, I observe from the committee report that the bill was introduced on February 28, 1953. Department witnesses appeared, but the date of their appearance is not specified. Even at that time, March 5, they interposed no recommendations on the bill H. R. 5497.

There is no department report on the bill nor a report from the Bureau of the Budget; and I would like to ask the gentleman this: If Hoover Dam which borders Arizona, if recreational benefits of that particular project had been assigned for their national benefits, what would have been the cost?

Mr. RHODES of Arizona. I do not have any figures at hand, but I can state to the gentleman from California that the reimbursable portion of this great project would have been much less if the philosophy of this bill had been adopted.

The SPEAKER. The time of the gentleman from Arizona has expired.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I have no further requests for time.

Mr. COOLEY. Mr. Speaker, I have no further requests for time.

The SPEAKER. The question is on the motion of the gentleman from North Carolina that the rules be suspended and the bill be passed.

The question was taken; and on a division (demanded by Mr. COOLEY) there were—ayes 45, noes 80.

So (two-thirds not having voted in favor thereof) the motion was rejected.

SCHOOL CONSTRUCTION IN FEDERALLY AFFECTED AREAS

The SPEAKER. The gentleman from Montana is recognized.

Mr. METCALF. Mr. Speaker, I move to suspend the rules and pass the bill (H. R. 8679) to provide a 1-year extension of the programs of financial assistance in the construction and operation of schools in areas affected by Federal activities under the provisions of Public Laws 815 and 874, 81st Congress, as amended.

The clerk read as follows:

Be it enacted, etc.—

That section 209 (e) of the act of September 23, 1950 (Public Law 815, 81st Cong.), as amended, is amended by striking out "1959" and inserting in lieu thereof "1960."

SEC. 2. Section 301 of such act is amended by striking out "five" and inserting in lieu thereof "six."

SEC. 3. The first sentence of section 303 of such act is amended by striking out "1958" and inserting in lieu thereof "1959."

SEC. 4. The first sentence of section 304 (a) of such act is amended by striking out "regular school year 1957-1958" and inserting in lieu thereof "increase period."

SEC. 5. (a) Section 305 of such act is amended (1) by striking out "regular school year 1955-1956" each time it appears therein and inserting in lieu thereof "base year," and (2) by striking out "regular school year 1957-1958" each time it appears therein and inserting in lieu thereof "increase period."

(b) The last sentence of subsection (d) of such section is amended by striking out "school years 1955-1956 and 1957-1958" and inserting in lieu thereof "base year and the increase period."

(c) Such section in further amended by inserting at the end thereof the following new subsection:

"(f) If—

"(1) the first year of the increase period for an application made by a local educational agency constitutes the second year of the increase period for a previous application made by such agency, and

"(2) any payment has been or may be made to such agency on the basis of such previous application,

then, in determining under this section the total of the payments which may be made to such agency on the basis of the later application, the total number of children counted for purposes of paragraph (1), (2), or (3), as the case may be, of subsection (a) may not exceed—

"(3) the number of children whose membership at the close of the increase period for the later application is compared with membership in the base year for purposes of such paragraph, minus

"(4) the number of such children whose membership at the close of the increase period for the previous application was compared with membership in the base year for purposes of such paragraph."

SEC. 6. Section 310 of such act is amended by inserting ", or June 30, 1959" after "June 30, 1958".

SEC. 7. Title III of such act is amended by adding at the end thereof the following new section:

"BASE YEAR AND INCREASE PERIOD

"SEC. 312. For purposes of this title—

"(a) In the case of an application filed after June 30, 1956, and before July 1, 1957, (1) the term 'base year' means the regular school year 1955-56, and (2) the term 'increase period' means the period consist-

ing of the regular school years 1956-57 and 1957-58;

"(b) In the case of an application filed after June 30, 1957, and before July 1, 1958, (1) the term 'increase period' means the period consisting of the regular school years 1956-57 and 1957-58 or the regular school years 1957-58 and 1958-59, as may be designated in the application, and (2) the term 'base year' means (A) the regular school year 1955-56 if the increase period includes the regular school year 1956-57, or (B) the regular school year 1956-57 if the increase period includes the regular school year 1958-59; and

"(c) In the case of an application filed after June 30, 1958, (1) the term 'base year' means the regular school year 1956-57, and (2) the term 'increase period' means the period consisting of the regular school years 1957-58 and 1958-59."

SEC. 8. Section 401 (b) of such act is amended (1) by striking out "four succeeding fiscal years" and inserting in lieu thereof "five succeeding fiscal years", and (2) by striking out "1958" and inserting in lieu thereof "1959".

SEC. 9. (a) The amendments made by this act shall become effective July 1, 1957.

(b) Funds appropriated after June 24, 1957, but prior to the enactment of this act, which are available for payments under title III of the act of September 23, 1950, as amended, together with funds appropriated on or before June 24, 1957, which are available for payments under such title III, and are in excess of the amount required for payments for projects for which applications have been filed on or before June 24, 1957, pursuant to such title III, shall also be available for payments for projects for which applications are filed after June 30, 1957, with respect to the increase period (as defined in such title III) consisting of the regular school years 1957-58 and 1958-59. Funds appropriated prior to enactment of this act which are available for purposes of section 310 or title IV of such act shall also be available for purposes of such section and title, respectively, as herein amended.

The SPEAKER. Is a second demanded?

Mr. HOLT. Mr. Speaker, I demand a second.

Mr. METCALF. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. METCALF. Mr. Speaker, I yield myself 5 minutes.

The SPEAKER. The gentleman from Montana is recognized.

Mr. METCALF. Mr. Speaker, this bill is to extend for 1 year Public Law 815 of the 81st Congress. Public Law 815 and Public Law 874 of the 81st Congress were companion bills, 815 to provide for Federal aid for school construction in federally affected areas and 874 to provide for Federal aid for operation and maintenance of schools in federally affected areas.

As originally introduced, H. R. 8679, provided for a simple 1-year extension of both Public Law 815 and Public Law 874.

The Secretary of the Department of Health, Education, and Labor in his departmental report recommended that neither program be extended this year.

They are not slated to expire until June 30, 1958.

Since 1955 the Commissioner of Education in the Department of Health, Education, and Welfare has been making a study of the impact and affect of both of these laws. The Committee on Education and Labor has been promised that by the first of January, at the beginning of the next session, the Secretary of Health, Education, and Welfare's report and recommendations as to the continuance of Public Law 815 and Public Law 874 will be presented to the committee.

Both of these laws have been in effect for 7 years. They were originally passed as emergency legislation. Members of the subcommittee that have studied these laws and the Department of Health, Education, and Welfare that has charge of administering these laws have grave doubt about the affect of some of the provisions in this legislation. I believe I can say that all members of the committee believe Public Law 815 and Public Law 874 should be extended but we have misgivings about certain parts of the law and we feel they should not be extended in their present form. That is also the feeling of the Department.

The subcommittee originally felt that perhaps we could wait until the recommendations from the Department of Health, Education, and Welfare were received and we could hold hearings on the complete extension of both of these bills next year; but as a result of an urgency created by military housing, the committee felt this year Public Law 815 should be extended. A case in point is the situation that exists at our Air Force Academy. Under Public 815 the Department of Health, Education, and Welfare cannot allocate any funds for the construction of schools for pupils, federally affected, who are not going to be there until after June 30, 1958, when the law expires.

In the case of the Air Force Academy there will be about 70 federally affected pupils on June 30, 1958, but in September, only 3 months later, there will be 600 to 700 such students. There are over 150 other areas where Capehart housing is involved and where the same situation exists, so that as many as 30,000 children may be involved.

Mr. Speaker, we want to have the schools there and available when the children arrive. So in order to make the necessary planning and to get the blueprints under way and the plans approved, 12 to 15 months will be required to take care of this urgent situation, especially affecting Capehart housing and the Air Force Academy. Therefore we have provided a simple extension of Public Law 815 for 1 more year.

Mr. FOGARTY. Mr. Speaker, will the gentleman yield?

Mr. METCALF. I yield to the gentleman from Rhode Island.

Mr. FOGARTY. Mr. Speaker, as the gentleman from Montana knows, the superintendents of schools of all of these federally impacted areas are very much interested in the extension of Public Law 874, the maintenance and operation part of the two bills we have been discussing. As I understand it, the subcommittee has

Aug. 28, 1957

16. SURPLUS COMMODITIES. Passed as reported H.R. 6959, to authorize the use of CCC surplus commodities to augment the food supplies for migratory waterfowl. p. 14784
17. NATURAL RESOURCES. Passed as reported S.J. Res. 35, to establish a National Conservation Anniversary Commission to commemorate the 50th anniversary of the First conference of State governors (pp. 14780-1). Senate conferees were appointed (14866-7).
18. RECREATION. Reps. Bow, Engle, and Boland objected to consideration of H.R. 5497, to authorize Federal assistance for certain fish and wildlife development under the Watershed Protection and Flood Prevention Act. p. 14781
19. WATER POLLUTION. Passed as reported H.R. 6701, granting consent to the Tenn. River Basin water pollution control compact. pp. 14781-3
20. RICE. Passed over, at the request of Rep. Byrnes, Wis., H.R. 8490, to establish rice acreage allotments, prevent the expansion of such allotments, and provide for a 65% penalty payment for rice produced by supported producers outside of their allotments. p. 14786
21. RICE; FISH. Passed over, at the request of Rep. Pelly, S. 1552, to authorize research to develop methods of producing fish commercially on flooded rice acreage. p. 14785
22. RECLAMATION. Passed as reported S. 1996, to approve the contract negotiated with the Casper-Alcova Irrigation District, and to provide that the excess-land provisions of the reclamation laws shall apply to the lands of the Kendrick Project, Wyo., but with 480 acres allowed rather than 160. pp. 14785-6
23. COTTON. Rep. Philbin commended passage of S. 314, to sell surplus cotton to U.S. mills at reduced prices, and inserted an article on the Textile Worker's Union proposal for compensatory payments to producers for the difference between the world price and the support price. pp. 14774-5
24. MARKETING. Rep. Osmer discussed the place of wholesalers in the distribution system and praised their contribution to our economic productivity. pp. 14775-6
25. FORESTRY. House conferees were appointed on H.R. 6322, to provide for delaying the submission of a report on the transfer of property of the Menominee Indians. Senate conferees have not been appointed. p. 14779
26. SOIL CONSERVATION. Rep. Polk inserted the program and newspaper comment on the 1957 World's Conservation Exposition and Plowing Contest at Peebles, Ohio. pp. 14800-3
27. COMMITTEE INVESTIGATIONS. The Rules Committee reported without amendment H. Res. 275, to authorize the Agriculture Committee to make studies overseas during the adjournment of the 85th Congress (H. Rept. 1264) (p. 14806). Rep. Poage defended the resolution, which is to be considered Aug. 29, by referring to the Public Law 480 program. (p. 14804).

ITEMS IN APPENDIX

28. REA LOANS. Extension of remarks of Sen. Johnson stating that R. M. Korth, president of the board of directors of the Karnes Electric Cooperative, had recently voiced strong condemnation of the proposal to increase interest rates charged by the Rural Electrification Administration and inserting a report of Mr. Korth's address. p. A7125
Extension of remarks of Sen. Johnson stating that the DeWitt County Electric Cooperative, Cuero, Tex., has "recently adopted a resolution commending the REA Administrator and asking that he retain full authority to administer the rural electrification program." pp. A7127-8
29. GRAINS. Sen. Langer inserted a letter from P. E. Paquette, president of the Minn. Terminal Elevator Ass'n, and an editorial opposing the proposal to change from the bushel to the hundredweight as a unit of measure. p. A7126
Rep. Morris inserted statistics furnished by this Department relating to wheat. pp. A7128-64
Extension of remarks of Rep. Jensen suggesting a "Do It Yourself Farm Association," and that corn be used to produce grain alcohol. pp. A7189-9
30. FARM PRICES. Extension of remarks of Rep. Marshall stating that "farmers are in trouble simply because since 1952 they have been taking a big pay cut." p. A7164
Sen. Langer inserted two GFA daily radio roundups discussing problems of the farmers in getting better prices and income. pp. A7165-6
31. ELECTRIFICATION. Sen. Kefauver inserted an editorial, "TVA Launched America's Present Electrical Age." p. A7167
32. PUBLIC LAW 480. Extension of remarks of Sen. Humphrey inserting the testimony of Paul Sayres, food distributor, before the Senate Agriculture and Forestry Committee on the policies and operations of Public Law 480. pp. A7171-2
33. PERSONNEL. Extension of remarks of Sen. Case, S. Dak., inserting an article, "Parallel Progression--Careers For Nonsupervisory Engineers and Scientists," and stating "it points out that many scientists and engineers have been led to leave their creative work..." pp. A7173-5
Extension of remarks of Rep. Wolverton opposing the adjournment of Congress until the pay bills have been finally acted upon. p. A7195
34. FEDERAL AID. Rep. May inserted a study of the Federal grants-in-aid to the State of Conn.. pp. A7176-7
35. PRICE SUPPORTS. Extension of remarks of Rep. Bow stating that the "Independent Farmers of Ohio are self-reliant people who oppose Government controls and subsidies in agriculture and big government in general." pp. A7185-6
36. COOPERATIVES. Rep. Knutson inserted two articles disavowing support of anti-co-op support by the Borden Company and the National Pickle Packers Ass'n. p. A7188
37. MEATPACKERS. Extension of remarks of Rep. Multer stating that he had erroneously referred to the fact that a complaint against the Giant Stores by the FTC had been dismissed, and that he should have said that the hearing examiner had recommended dismissal of the complaint. p. A7193

organizations dedicated to conservation of various natural resources and 10 citizens at large from private life.

SEC. 2. It shall be the duty of the Commission to prepare and carry out a comprehensive plan for the observance and commemoration of the 50th anniversary of the 1st conference of State governors on conservation in the United States and generally promote among all citizens a realization of the importance of protecting the natural resources of the United States. In the preparation of such plan, the Commission shall have the cooperation and assistance of all departments and agencies of the Federal Government. It shall also cooperate with the governors of the individual States in order that there may be proper coordination and correlation of plans for such observance. The Commission is authorized to appoint such volunteer special project committees, task forces, and advisory groups as will advance its work, and it shall seek the cooperation of all citizens, and of groups and associations with activities in the conservation field, in bringing conservation's importance to public attention during the year 1958.

SEC. 3. (a) The Commission is authorized to appoint and prescribe the duties and fix the compensation of such employees as are necessary in the execution of its duties and functions.

(b) There is hereby authorized the appropriation of such sums as may be necessary to carry out the purposes of this joint resolution, including all necessary travelling and subsistence expenses incurred by the members and employees of the Commission. All expenditures of the Commission shall be allowed and paid upon presentation of itemized vouchers therefor, approved by the chairman of the Commission.

(c) The Commission shall cease to exist not later than 1 year after the date of the observance of the golden anniversary.

With the following committee amendments:

Amendment 1: Strike out all language on pages 1, 2 and 3 between the title and the enacting clause.

Amendment 2: Page 3, line 10, strike "Interior," and insert "Interior and Chief of Engineers, Department of the Army."

Amendment 3: Page 4, line 5, strike the words "Chairman shall, with the advice of the Commission," and insert "President of the United States may."

Amendment 4: Page 4, line 6, after the word "include" insert the words "not more than."

Amendment 5: Page 4, line 8, after the word "and" insert the words "not more than."

Amendment 6: Page 5, line 2, strike "1958." and insert "1958, but neither the Commission nor such committees, task forces, or advisory groups shall solicit funds from the general public."

Amendment 7: Page 5, line 9, after the word "resolution," insert "not to exceed \$20,000."

The committee amendments were agreed to.

The Senate joint resolution was ordered to be read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

RECREATIONAL ASPECTS OF WATERSHED PROJECTS

The Clerk called the bill (H. R. 5497) to amend the Watershed Protection and Flood Prevention Act,

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. BOW, Mr. ENGLE, and Mr. BOLAND objected.

TENNESSEE RIVER BASIN WATER POLLUTION CONTROL COMPACT

The Clerk called the bill (H. R. 6701) granting the consent and approval of Congress to the Tennessee River Basin water pollution control compact.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the consent and approval of Congress is given to the Tennessee River Basin Water Pollution Control Compact, as hereinafter set out. Such compact reads as follows:

"TENNESSEE RIVER BASIN WATER POLLUTION CONTROL COMPACT"

"Article I"

"The purpose of this compact is to promote effective control and reduction of pollution in the waters of the Tennessee River Basin through increased cooperation of the States of the basin, coordination of pollution control activities and programs in the basin, and the establishment of a joint interstate commission to assist in these efforts."

"Article II"

"The party States hereby create the 'Tennessee River Basin Water Pollution Control Commission,' hereinafter referred to as the 'commission,' which shall be an agency of each party State with the powers and duties set forth herein, and such others as shall be conferred upon it by the party States or by the Congress of the United States concurred in by the party States."

"Article III"

"A. The party States hereby create the 'Tennessee River Basin Water Pollution Control District,' hereinafter called the 'district,' which consists of the area drained by the Tennessee River and its tributaries."

"B. From time to time the commission may conduct surveys of the basin, study the pollution problems of the basin, and make comprehensive reports concerning the prevention or reduction of water pollution therein. The commission may draft and recommend to the parties hereto suggested legislation dealing with the pollution of waters within the basin or any portion thereof. Upon request of a State water pollution control agency, and in a manner agreed upon by such agency and the commission, the commission shall render advice concerning the various governments, communities, municipalities, persons, corporations or other entities with regard to particular problems connected with the pollution of waters. The commission shall present to the appropriate officials of any government or agency thereof its recommendations relating to enactments to be made by any legislature in furthering the intents and purposes of this article. The commission, upon request of a member State or upon its own instance may, after proper study, and after conducting public hearings, recommend minimum standards of water quality to be followed in the several areas of the district."

"Article IV"

"The commission shall consist of three commissioners from each State, each of whom shall be a resident voter of such State. The commissioners shall be chosen in the manner and for the terms provided by the laws of the State from which they are appointed, and each commissioner may be removed or suspended from office as provided

by law of the State from which he is appointed.

"Article V"

"A. The commission shall elect annually from its members a chairman and a vice chairman to serve at its pleasure. It shall adopt a seal and suitable bylaws for its management and control. The commission is hereby authorized to adopt, prescribe, and promulgate rules and regulations for administering and enforcing all provisions of this compact. It may maintain one or more offices for the transaction of its business. Meetings shall be held at least once each year. It may determine duties, qualifications and compensation for and appoint such employees and consultants as may be necessary and remove or replace them."

"B. The commission shall not compensate the commissioners for their services but shall pay their actual expenses incurred in and incidental to the performance of their duties."

"C. The commission may acquire, by gift or otherwise, and may hold and dispose of such real and personal property as may be appropriate to the performance of its functions. In the event of sale of real property, proceeds may be distributed among the several party States, each State's share being computed in a ratio to its contributions; and in the event of dissolution of the commission, the property and assets shall be disposed of and proceeds distributed in a like manner."

"D. Each commissioner shall have one vote. One or more commissioners from a majority of the party States shall constitute a quorum for the transaction of business, but no action of the commission imposing any obligation on any party State or any municipality, person, corporation, or other entity therein shall be binding unless a majority of all of the members from such party State shall have voted in favor thereof. The commission shall keep accurate accounts of all receipts and disbursements, and shall submit to the governor and the legislature of each party State an annual report concerning its activities, and shall make recommendations for any legislative, executive, or administrative action deemed advisable."

"E. The commission shall at the proper time submit to the governor of each party State for his approval an estimate of its proposed expenditures. The commission shall subsequently adopt a budget and submit appropriation requests to the party States in accordance with the laws and procedures of such States."

"F. The commission shall not pledge the credit of any of the party States. The commission may meet any of its obligations in whole or in part with funds available to it, from gifts, grants, appropriations, or otherwise provided that the commission takes specific action setting aside such funds prior to the incurring of any obligation to be met in whole or in part in this manner. Except where the commission makes use of funds already available to it, the commission shall not incur any obligations prior to the making of appropriations adequate to meet the same."

"G. The accounts of the commission shall be open at any reasonable time to the inspection of such representatives of the respective party States as may be duly constituted for that purpose. All receipts and disbursements of funds handled by the commission shall be audited yearly by a qualified public accountant, and the report of the audit shall be included in and become a part of the annual report of the commission. The commission shall appoint an executive director. The commission shall also appoint a treasurer who may be a member of the commission. The executive director shall be

custodian of the records of the commission with authority to attest to and certify such records and copies thereof under the seal of the commission. The commission shall require bonds of its executive director and treasurer in the amount of at least 25 percent of the annual budget of the commission.

"Article VI

"Each of the commission's budgets of estimated expenditures shall contain specific recommendations of the amount or amounts to be appropriated by each of the party States. In determining these amounts, the commission shall prorate one-half of its budget among the several States in proportion to their land area within the district, and shall prorate the other half among the several States in proportion to their population within the district at the last preceding Federal census.

"Article VII

"A. It is recognized, owing to such variable factors as location, size, character, and flow, and the many varied uses of the waters subject to the terms of this compact, that no single standard of sewage and waste treatment and no single standard of quality of receiving waters is practical and that the degree of treatment of sewage and industrial wastes should take into account the classification of the receiving waters according to present and proposed highest use, such as for drinking water supply, industrial, and agricultural uses, bathing and other recreational purposes, maintenance and propagation of fish life, navigation, and disposal of wastes.

"B. The commission may establish reasonable physical, chemical, and bacteriological standards of water quality satisfactory for various classifications of use. It is agreed that each of the signatory States through appropriate agencies will prepare a classification of its interstate waters in the district in entirety or by portions according to present and proposed highest use, and for this purpose technical experts employed by appropriate State water pollution control agencies are authorized to confer on questions relating to classification of interstate waters affecting two or more States. Each signatory State agrees to submit its classification of its interstate waters to the commission for approval. It is agreed that after such approval, all signatory States through their appropriate State water pollution control agencies will work to establish programs of treatment of sewage and industrial wastes which will meet standards established by the commission for classified waters. The commission may from time to time make such changes in definitions of classifications and in standards as may be required by changed conditions or as may be necessary for uniformity and in a manner similar to that in which these standards and classifications were originally established.

"Article VIII

"A. A State pollution control agency of any party State may certify to the commission an alleged violation of the commission's standards of quality of water entering said State. Upon such certification the commission may call a hearing at which the appropriate State pollution agencies shall be represented. If the commission finds a violation has occurred, is occurring, or is likely to recur, it shall make recommendations as to the manner of abatement of the pollution to the appropriate water pollution control agency of the party State within which the violation has occurred, is occurring, or is likely to recur. In the event that commission recommendations made pursuant to the preceding provisions of this article do not result in compliance within a reasonable time, the commission may, after such further investigation if any as is deemed neces-

sary and proper and after a hearing held in the State where a violation occurs or has occurred, issue an order or orders upon any municipality, person, corporation, or other entity within said party State violating provisions of this compact by discharging sewage or industrial wastes into the waters of the district which flow through, into, or border upon any party State. Such order or orders may prescribe the date on or before which such discharge shall be wholly or partially discontinued, modified, or treated, or otherwise disposed of. The commission shall give reasonable and proper notice in writing of the time and place of the hearing to the municipality, person, corporation, or other entity against which such order is proposed except that when the commission shall find that a public health emergency exists, it may issue such an order pending hearing. In all such instances, the hearing shall be promptly held and the order shall be withdrawn, modified, or made permanent within 30 days after hearing. No order prescribing the date on or before which such discharge shall be wholly or partially discontinued, modified, or treated, or otherwise disposed of, shall go into effect upon a municipality, person, corporation, or other entity in any State unless and until it receives the approval of a majority of the commissioners from each of not less than a majority of the party States, provided that such order receives the assent of not less than a majority of the commissioners from such State.

"B. It shall be the duty of the municipality, person, corporation, or other entity within a party State to comply with any such order against it or him by the commission, and any court of competent jurisdiction in any of the party States shall have jurisdiction, by mandamus, injunction, specific performance, or other form of remedy, to enforce any such order against any municipality, person, corporation, or other entity domiciled, located or doing business within such State: *Provided, however,* Such court may review the order and affirm, reverse, or modify the same in any appropriate proceeding brought and upon any of the grounds customarily applicable in proceedings for court review of administrative decisions. The commission or, at its request, the attorney general or other law enforcing official of the appropriate State shall have power to institute in such court any action for the enforcement of such order.

"Article IX

"Nothing in this compact shall be construed to limit the powers of any party State, or to repeal or prevent the enactment of any legislation, or the enforcement of any requirement by any party State, imposing any additional conditions and restrictions to further reduce or prevent the pollution of waters within its jurisdiction.

"Article X

"A. Nothing contained in this compact shall be construed so as to conflict with any provision of the Ohio River Valley Water Sanitation Compact or to impose obligations on any party State inconsistent with those which it has undertaken or may undertake by virtue of its membership in said compact: *Provided,* That nothing contained in this article shall be deemed to limit the commission's power to set higher standards for the waters of the Tennessee River Basin Water Pollution Control District or any portion thereof than those required for the Ohio River Valley Water Sanitation District.

"B. Nothing contained in this compact shall be deemed to give the commission any regulatory power or jurisdiction over any aspect of pollution abatement or control within the district unless existing of future pollution of such waters does or is likely to affect adversely the quality of water flowing

among, between, into or through the territory of more than one party State.

"Article XI

"Any two or more of the party States by legislative action may enter into supplementary agreements for further regulation and abatement of water pollution in other areas within the party States and for the establishment of common or joint services or facilities for such purpose and designate the commission to act as their joint agency in regard thereto. Except in those cases where all member States join in such supplementary agreement and designation, the representatives in the commission of any group of such designating States shall constitute a separate section of the commission for the performance of the function or functions so designated and with such voting rights for these purposes as may be stipulated in such agreement: *Provided,* That, if any additional expense is involved, the member States so acting shall appropriate the necessary funds for this purpose. No supplementary agreement shall be valid to the extent that it conflicts with the purposes of this compact and the creation of such a section as a joint agency shall not affect the privileges, powers, responsibilities, or duties of the member States participating therein as embodied in the other articles of this compact.

"Article XII

"This compact shall enter into force and become effective and binding when it has been enacted by the Legislature of Tennessee and by the legislatures of any one or more of the States of Alabama, Georgia, Kentucky, Mississippi, North Carolina, and Virginia and upon approval by the Congress of the United States and thereafter shall enter into force and become effective and binding as to any other of said States when enacted by the legislature thereof.

"Article XIII

"This compact shall continue in force and remain binding upon each party State until renounced by act of the legislature of such State, in such form and manner as it may choose; provided that such renunciation shall not become effective until 6 months after the effective date of the action taken by the legislature. Notice of such renunciation shall be given to the other party States by the secretary of state of the party State so renouncing upon passage of the act.

"Article XIV

"The provisions of this compact or of agreements thereunder shall be severable and if any phrase, clause, sentence, or provision of this compact, or such agreement, is declared to be contrary to the Constitution of any participating State or of the United States or the applicability thereof to any State, agency, person, or circumstance is held invalid, the constitutionality of the remainder of this compact or of any agreement thereunder and the applicability thereof to any State, agency, person, or circumstance shall not be affected thereby, provided further that if this compact or any agreement thereunder shall be held contrary to the Constitution of the United States or of any State participating therein, the compact or any agreement thereunder shall remain in full force and effect as to the remaining States and in full force and effect as to the State affected as to all severable matters. It is the legislative intent that the provisions of this compact shall be reasonably and liberally construed."

SEC. 2. The consent of Congress is given to any of the States of Alabama, Georgia, Kentucky, Mississippi, North Carolina, Tennessee, and Virginia to become a party to the Tennessee River Basin water-pollution-control compact in accordance with its terms.

Feb 3, 1958

Sen. Smith urged support for extension of the Reciprocal Trade Agreements Act and inserted an editorial commending the program. pp. 1269-70.

The Banking and Currency Committee ordered reported without amendment S. 3149, to increase the lending authority of the Export-Import Bank. p. D71

Both Houses received from the Tariff Commission a proposed bill to extend the "inspection and subpoena powers" of the Commission; to S. Finance Committee and H. Ways and Means Committee. pp. 1261, 1361

4. FOREIGN AID. Sen. Smith inserted an article, "Foreign Investment and Industrial Development," by Deputy Under Secretary of State for Economic Affairs Dillon. pp. 1270-2.

Sen. Clark criticized the refusal of the Secretary of State to allow CARE to give food to Egyptian children, and inserted an editorial stating, "This seems to be penalizing children for the policies of their government." p. 1286

5. WATER RESOURCES; ELECTRIFICATION. Sens. Magnuson and Jackson became co-sponsors of Sen. Neuberger's bill, S. 3114, to establish the Columbia River Development Corporation. p. 1268

Sen. Neuberger commended the report of the Ore. Water Resources Board on the development of the resources of the middle Snake River, and inserted their conclusions. pp. 1283-4

REPORT.

6. GAO. Both Houses received from the Comptroller General a report of the activities of GAO for the fiscal year 1957. pp. 1261, 1361.

7. SOIL BANK. Received a Miss. Legislature resolution urging that sufficient funds be made available to allow all farmers desiring to do so to enter the soil bank. p. 1262.

8. FAMILY FARM. Received a S. C. legislature resolution urging that greater attention be paid programs for the small farmer lest he be forced to leave the farm and move into industrialized areas. p. 1262

9. INFORMATION; RECORDS. Sen. Proxmire's name was added as co-sponsor to Sen. Hennings' bill, S. 921, to revise the laws relating to the authority of Federal officers to withhold information or records (Jan. 31). p. 1209

10. LIVESTOCK DISEASE. Sen. Neuberger's name was added as co-sponsor to Sen. Proxmire's bill, S. 3183, to extend the brucellosis eradication program for 2 years. (Jan. 31). p. 1209

11. PERSONNEL. Sen. Carlson pointed out a "technical deficiency" in his bill. S. 3052, to revise the basic compensation schedules of the Classification Act of 1949, and stated he would offer amendments to conform the bill to his section analysis, submitted Jan. 16 (Jan. 31). p. 1209

HOUSE

12. STATION TRANSFERS. Passed without amendment S. 1408, to provide allowances for transportation of house trailers to civilian employees who are transferred from one official station to another. This measure will now be sent to the President. p. 1342

13. WATERSHEDS. Passed over, at the request of Rep. Weaver, H. R. 5497, to authorize Federal assistance for certain fish and wildlife development projects under the Watershed Protection and Flood Prevention Act. p. 1342

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued February 4, 1958
For actions of February 3, 1958
85th-2d, No. 17

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HIGHLIGHTS: Sen. Williams criticized drought-relief payments to racehorse owner. Sen. Humphrey urged greater USDA disaster relief in Minn. Sen. Humphrey criticized dairy price support reduction.

SENATE

- FARM LOANS; DISASTER RELIEF.** Sen. Humphrey criticized the USDA rejection of recommendations for an emergency feed and seed program for some Minn. counties in the summer of 1957, and inserted various materials on the situation at the time. pp. 1276-82
Sen. Williams criticized a racehorse owner for accepting feed under the emergency drought relief program and for signing an application blank stating that he could not pay for the feed himself, and cited the case as an example of abuses possible when the Federal Government does not require State-cost-sharing. pp. 1321-2
- DAIRY PRICE SUPPORTS.** Sen. Humphrey criticized the announced reduction in dairy price supports and inserted two messages from creameries urging opposition to any further cuts in dairy price support. p. 1276
- FOREIGN TRADE.** Sen. Douglas, with comments by Sens. Clark, Cooper, Kefauver, Neuberger, and Javits, urged extension of the Reciprocal Trade Agreements Act and joining the Organization for Trade Cooperation, and inserted various exhibits on trade policy. pp. 1287-9, 1289-1310

THE EARTH SATELLITE

(Mrs. ST. GEORGE asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. ST. GEORGE. Mr. Speaker, we all have cause to rejoice today. The American satellite is in the sky and is circling the globe and acting according to schedule. This bears out the truth of the words of the Chairman of the Atomic Energy Commission, Lewis L. Strauss, who recently said:

There is no place in our thinking for pessimism, gloom, despair.

There has been too much pessimism, gloom, and despair, especially among the editorial writers and columnists in this country. What has not been sufficiently stressed is the fact that our scientists over a year ago announced that we would launch this satellite in the first 6 months of the geophysical year. This we have done. So, I think we can say, Mr. Speaker, "Well done." We are not complacent; we will keep up the work. We have proved ourselves, and we have good cause to cheer.

LAUNCHING OF SATELLITE

(Mr. HENDERSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HENDERSON. Mr. Speaker, in its launching of a satellite on last Friday night our Nation has lived up to the expectations of the people of the free world. We have again demonstrated our characteristic ability to keep pace, and to excel. The Explorer will provide us with scientific data which could not have been obtained by sensational, hasty flights into space. It is significant that the Explorer has probed further into space than its Russian predecessors and has thereby probed the unknown and can provide us with much-needed information on the temperature, radiation, and meteorite environment that it encounters, information which will be made available to scientists everywhere, so that all men and all nations may benefit from this great event.

I am sure that we are all thankful to the men of science, industry, military, and Government who have made this momentous occasion possible.

The event demonstrates once again our ability to respond to a challenge, both of a military and a scientific nature. It also vindicates the program of the administration in both the missile and the satellite fields. The Explorer took its place in outer space under the guidance and financing of that program.

Let us keep that in mind as we are pressed to recklessly and hastily substitute money for diligence and proper direction in the missile and satellite program.

LAUNCHING OF SATELLITE EXPLORER

(Mr. ARENDS asked and was given permission to address the House for 1

minute and to revise and extend his remarks.)

Mr. ARENDS. Mr. Speaker, last October Russia successfully launched the satellite, sputnik. It was dramatic evidence of the technological advances being made by Soviet Russia. The incident stimulated a healthy national concern as to our own military-defense posture and our technological progress in the field of missiles and satellites.

Unfortunately, some in this country sought to fan this public concern into a hysteria with talk of urgency, emergency, and need for crash programs. These various statements were obviously designed to give the people the impression that our whole defense status and planning was being neglected.

The fact is that during these last few years real impetus has been given to the development of long-range ballistic missiles as the weapon of the future. The first year the United States spent as much as a million dollars on strategic ballistic missiles was as recently as fiscal year 1953.

The launching of our satellite Jupiter C, nicknamed the Explorer, is conclusive proof of what has been accomplished in these last few years and what we may expect in the years ahead. It proves our capabilities. I hope this achievement puts to an end any and all attempts to interject politics in defense matters. It has always been my view that no one, at any time, under any circumstances, should try to make political capital out of national-defense questions.

This is the objective manner in which our Committee on Armed Services continues to operate as we proceed with our intensive and objective study of all phases of our Defense Establishment.

A RESOLUTION TO AWARD POSTHUMOUSLY CONGRESSIONAL MEDALS OF HONOR TO THE FOUR CHAPLAINS

(Mr. RODINO (at the request of Mr. McCORMACK) was given permission to extend his remarks at this point in the RECORD.)

Mr. RODINO. Mr. Speaker, the memory of man is sometimes dulled with the passage of years. However, though it has been 15 years since that fatal and memorable day of February 3, 1943, the faith and courage displayed by the four chaplains of the famous troopship *Dorchester*, should ever be a challenge and inspiration to every American.

While the Soviet rulers spread fear and frenzy by reaching for the moon with their sputnik men and sputnik missiles, we in America can ever be grateful that we can freely reach out with outstretched arms in prayer to God Almighty. And, so long as there are dedicated men such as the four chaplains, America need not fear.

Last year, Mr. Speaker, I introduced my bill, H. R. 5089, to authorize the award posthumously of Congressional Medals of Honor to the four chaplains: George L. Fox, Alexander D. Goode, Clark V. Poling, and John P. Washington.

These heroic men whose significant act of true faith in American unity gave their lives to a cause which to them was greater than the phrase "above and beyond the call of duty" or "their lives in the service of their country." It was indeed a sacrifice most high. It was my privilege last year, Mr. Speaker, to author a resolution to set aside Sunday, February 3, 1957, as a day of observance in the memory of these four chaplains. I now ask the House to act on H. R. 5089 as a proper and fitting tribute to an act of greatness in the names of the four chaplains.

ESTABLISHMENT OF HOSPITAL IN SOUTHEAST SECTION OF WASHINGTON, D. C.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that on Wednesday next it will be in order for the chairman or any member of the Committee on the District of Columbia having charge of the bill, to call up for consideration the bill S. 1908 which is a bill, I understand, unanimously reported out of the Committee on the District of Columbia, to authorize the establishment of a hospital in the southeast section of the city of Washington. This is a matter of great importance.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

(Mr. BONNER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

[Mr. BONNER'S remarks will appear hereafter in the Appendix.]

CONSENT CALENDAR

The SPEAKER. This is Consent Calendar Day. The Clerk will call the first bill on the Consent Calendar.

INCREASING BENEFITS TO WIDOWS OF FORMER EMPLOYEES OF LIGHTHOUSE SERVICE

The Clerk called the bill (S. 235) to increase from \$50 to \$75 per month the amount of benefits payable to widows of certain former employees of the Lighthouse Service.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. WEAVER. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

DISPOSAL OF CERTAIN UNCOMPLETED NAVAL VESSELS

The Clerk called the bill (H. R. 4547) to authorize the disposal of certain uncompleted vessels.

Mr. NATCHER. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

AMENDING THE ORGANIC ACT OF GUAM

The Clerk called the bill (H. R. 4215) amending sections 22 and 24 of the Organic Act of Guam.

Mr. GROSS. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa? There was no objection.

RECREATIONAL ASPECTS OF WATERSHED PROTECTION PROJECTS

The Clerk called the bill (H. R. 5497) to amend the Watershed Protection and Flood Prevention Act.

Mr. WEAVER. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

MONUMENT SYMBOLIZING IDEALS OF DEMOCRACY

The Clerk called the bill (H. R. 8290) to authorize the erection of a national monument symbolizing the ideals of democracy in the fulfillment of the act of August 31, 1954 (68 Stat. 1029), "An act to create a National Monument Commission, and for other purposes."

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. SHEPPARD, Mr. SIKES, and Mr. MILLER of California objected.

AMENDMENT OF BANKRUPTCY ACT

The Clerk called the bill (H. R. 982) to amend section 77 (c) (6) of the Bankruptcy Act.

Mr. WEAVER. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

FISH FARMING

The Clerk called the bill (S. 1552) to authorize the Secretary of the Interior to establish a program for the purpose of carrying on certain research and experimentation to develop methods for the commercial production of fish on flooded rice acreage in rotation with rice-field crops, and for other purposes.

Mr. PELLY. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

CONVEYANCE OF PROPERTY TO CITY OF ROSEBURG, OREG.

The Clerk called the bill (H. R. 6995) to amend Public Law 883, 84th Congress, to provide for the conveyance of certain additional property of the United States to the city of Roseburg, Oreg., and for other purposes.

Mr. CUNNINGHAM of Iowa. Mr. Speaker, the Bureau of the Budget opposes this bill. I ask unanimous consent that it be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa? There was no objection.

ALLOWANCES FOR TRANSPORTATION OF HOUSE TRAILERS

The Clerk called the bill (S. 1408) to provide allowances for transportation of house trailers to civilian employees of the United States who are transferred from one official station to another.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 1 (b) of the act entitled "An act to authorize certain administrative expenses in the Government service, and for other purposes," approved August 2, 1946, as amended, is amended by adding at the end thereof the following: "Under such regulations as the President may prescribe, any civilian officer or employee who transports a house trailer or mobile dwelling within the continental United States, within Alaska, or between the continental United States and Alaska, for use as a residence and who would otherwise be entitled to transportation of household goods and personal effects under subsection (a) shall be entitled to a reasonable allowance, not to exceed 20 cents per mile, in lieu of such transportation."

The bill was ordered to be engrossed and read a third time, was read the third time, passed, and a motion to reconsider was laid on the table.

FOURTH INTERNATIONAL AUTOMATION CONGRESS AND EXPOSITION

The Clerk called the joint resolution (H. J. Res. 347) authorizing and requesting the President to invite the several States and foreign countries to take part in the Fourth International Automation Congress and Exposition to be held in the New York Coliseum at New York, N. Y., from June 9 to 13, 1958.

The SPEAKER. Is there objection to the present consideration of the joint resolution?

Mr. GROSS. Reserving the right to object, Mr. Speaker, I should like to ask someone a question about this joint resolution. Does it provide that we pay the expenses of foreign representatives coming to this country for this particular congress and exposition?

The SPEAKER. Unless there is someone here to explain it, the Chair suggests the joint resolution be passed over without prejudice.

Mr. GROSS. Mr. Speaker, I ask unanimous consent that the joint resolution be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa? There was no objection.

SECOND ANNUAL UNITED STATES WORLD TRADE FAIR

The Clerk called the joint resolution (H. J. Res. 509) authorizing the President to invite the States of the Union and foreign countries to participate in the Second Annual United States World Trade Fair to be held in New York City, N. Y., from May 7 to 17, 1958.

Mr. GROSS. Mr. Speaker, I ask unanimous consent that the joint resolution be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa? There was no objection.

INTERNATIONAL RULES OF JUDICIAL PROCEDURE

The Clerk called the bill (H. R. 4642) to establish a commission and advisory committee on international rules of judicial procedure.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. ASPINALL. Reserving the right to object, Mr. Speaker, and I do not intend to object if I get the right answers to my questions, will someone who is interested in this bill tell us approximately what it will cost?

Mr. WALTER. As far as we know, the cost will be very nominal, because the study contemplated will not require the establishment of a large staff. Further, with the exception of the amendment including two representatives to be appointed by the Attorney General and two who are officials of State governments, this bill is identical with a bill that passed the House by unanimous consent during the last Congress.

Mr. ASPINALL. The gentleman from Colorado understands that, but this has an open-end authorization for an appropriation. If the gentleman will tell me what the extent of the appropriation may be, I am likely to withdraw my reservation.

Mr. WALTER. I could not imagine the cost's exceeding \$5,000 at the most.

Mr. CELLER. If the gentleman will yield, I agree with the gentleman from Pennsylvania that the cost would be very nominal, at most possibly to defray the cost of some representative abroad. Most of the work will be done here by members of the American Bar Association and various other bar associations, as well as the State Department.

Mr. ASPINALL. I withdraw my reservation of objection, Mr. Speaker.

Mr. GROSS. Mr. Speaker, reserving the right to object, this provides simply for a commission to study international rules of judicial procedure; is that correct?

Mr. WALTER. Precisely. And it is not contemplated that any legislation will be enacted, of course, without consultation with the appropriate congressional committee.

Mr. GROSS. It provides no legislation?

Mr. WALTER. It does not provide for any legislation at all.

Mr. GROSS. Mr. Speaker, I withdraw my reservation of objection.

18. PUBLIC LANDS. Received the conference report on H. R. 5538, to provide that withdrawals, reservations, or restrictions of more than 5,000 acres of public lands for military purposes shall not become effective until approved by act of Congress (H. Rept. 1347). pp. 1963-64
19. WATERSHEDS. Passed with amendment H. R. 5497, to authorize Federal assistance for certain fish and wildlife development projects under the Watershed Protection and Flood Prevention Act. Agreed to a committee amendment providing that the Secretary of Agriculture shall not furnish or agree to furnish financial assistance to local organizations for the institution of works of improvement for recreational and fish and wildlife development under the act prior to July 1, 1958. p. 1943
20. FISHERIES; RICE. At the request of Rep. Pelly, passed over S. 1552, to authorize the Secretary of Interior to establish a program for carrying on certain research to develop methods for the commercial production of fish on flooded rice acreage in rotation with rice field crops. p. 1943
21. SMALL BUSINESS. Rep. Patman spoke in favor of legislation to provide capital banks for small business. pp. 1964-69
22. COMMITTEE ASSIGNMENTS. Rep. Reuss was appointed to the Joint Economic Committee. p. 1945
23. BUDGET. Rep. Gross inserted a Women's Patriotic Conference resolution on various matters, including an accrual expenditure budget, extension of the trade agreements act, etc. pp. 1969-72
24. FUTURE FARMERS. Rep. Natcher paid tribute to the Future Farmers of America. p. 1975.
25. WATER UTILIZATION. Received two Colo. Legislature memorials urging the enactment of legislation to control the appropriation of water by the Federal Government. p. 1979
26. SOIL BANK. Received two S. C. Legislature memorials urging additional appropriations for acreage reserve agreements on cotton. p. 1979

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27. INTERIOR DEPARTMENT APPROPRIATION BILL, 1959. Passed without amendment this bill, H. R. 10746 (pp. 1983-99). Rejected by a vote of 59 to 100, amendment by Rep. Jensen to provide that "not more than 1 vacancy out of every 4 vacancies which occur may be filled until such time as there has been a reduction of 10 percent in the number of persons for which funds are requested for salaries and travel pay in this bill," and "that not more than 90 percent of the funds herein requested for salaries and travel may be expended and that such savings shall not be expended for any other purpose." (pp. 1996-99).
28. PUBLIC LANDS. Agreed to the conference report on H. R. 5538, to provide that withdrawals, reservations, or restrictions of more than 5,000 acres of public lands for military purposes shall not become effective until approved by act of Congress. This measure will now be sent to the President. pp. 1981-82
29. FARM PROGRAM. Rep. Christopher discussed the farm situation as it relates to other segments of the economy, and called for the support of farm commodities at 90% of parity. pp. 2002-04

Rep. Hemphill urged additional funds for the soil bank program, and inserted correspondence with Asst. Secretary McLain on the matter. pp. 2005-06

30. TOBACCO. The "Daily Digest" states that the Tobacco Subcommittee of the Agriculture Committee "met in executive session and adopted motion to recommend to the full committee that the present price support on tobacco at 90 percent of parity be retained." p. D113

ITEMS IN APPENDIX

31. WOOL. Sen. Mundt inserted his statement commending the wool producers for the increase in production shown in an attached inventory of Livestock on Farms, Jan. 1, 1958, and asserting the increase showed the value of the National Wool Act. A1371-3
32. FOOD ADDITIVES. Sen. Kefauver inserted an article, "New Cancer Menace in Foods," which asserted that the Food and Drug Administration was concealing information in regard to cancer-producing elements found in foods. pp. A1377-8
33. FARM PROGRAM. Sen. Thurmond inserted an editorial on a speech by the director of the S. C. Development Board urging increased agricultural production as an industry, opposing the soil bank, and supporting the rural way of life. p. A1380
34. TRADE AGREEMENTS. Rep. Tuck inserted an address opposing the reciprocal trade program and urging Congress to set the tariffs. pp. A1384-5
35. FORESTRY. Sen. Neuberger inserted an editorial urging Federal purchase of the Klamath Indian forest lands as the only solution assuring sustained-yield forestry. pp. A1385-6
Rep. Saylor inserted an article by Sen. Humphrey, "What the Wilderness Bill Means to You." pp. A1395-7
36. CORN. Sen. Thurmond inserted a press release on the S. C. corn-growing contest results. p. A1387.
37. SOIL BANK. Rep. Kitchin inserted an editorial, "Soil-Bank Fiasco Disturbs Farmers," p. A1391
38. EMPLOYMENT. Rep. Multer inserted a telegram to the President from 11 Governors urging support for a program to relieve unemployment, including an easing of credit, public works projects acceleration, and restoration of farm income through higher price supports. p. A1384
39. ROADS. Rep. Madden inserted an editorial urging immediate action on the Federal highway program. pp. A1401-2
40. FAMILY FARM. Rep. Johnson inserted an article and stated that "it indicates that the marginal farmers being driven off the farms by the cost-price squeeze so efficiently assisted by the Dept. of Agriculture, were not contributing materially to the surplus." p. A1410
41. INFORMATION. Rep. Multer inserted his statement before the House Government Information Subcommittee regarding freedom of information legislation. p. A1420

DISPOSAL OF CERTAIN UNCOMPLETED NAVAL VESSELS

The Clerk called the bill (H. R. 8547) to authorize the disposal of certain uncompleted vessels.

Mr. NATCHER. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

RECREATIONAL ASPECTS OF WATERSHED PROJECTS

The Clerk called the bill (H. R. 5497) to amend the Watershed Protection and Flood Prevention Act.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 4 (2) (A) of the Watershed Protection and Flood Prevention Act (Public Law 1018, 84th Cong.) be amended by inserting immediately after "and disposal of water", the following: "or for recreational and fish and wildlife development."

With the following committee amendment:

Page 1, following line 7, add the following new section:

"SEC. 2. The Secretary of Agriculture shall not furnish or agree to furnish financial assistance to local organizations for the institutions of works of improvement for recreational and fish and wildlife development pursuant to the authority of this act prior to July 1, 1958."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING SECTION 77 (C) (6) OF THE BANKRUPTCY ACT

The Clerk called the bill (H. R. 982) to amend section 77 (c) (6) of the Bankruptcy Act.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That paragraph (6) of section 77 (c) of the Bankruptcy Act (11 U. S. C. 205 (c)) is amended to read as follows:

"(6) If a lease of a line of railroad is rejected, and if the lessee, with the approval of the judge, shall elect no longer to operate the leased line, it shall be the duty of the lessor at the end of a period to be fixed by the judge to begin the operation of such lines, unless the judge, upon the petition of the lessor, shall decree after hearing that it would be impracticable and contrary to the public interest for the lessor to operate the said line, in which event it shall be the duty of the lessee to continue operation on or for the account of the lessor, until abandonment of such line is authorized in accordance with the provisions of section 1 of that act, the Interstate Commerce Act, as amended, or until such operation pursuant to this paragraph is otherwise lawfully terminated. During any such operation, the lessor shall be deemed to be a carrier subject to all applicable provisions of the Interstate Commerce Act, as amended, and shall be entitled to receive just, reasonable, and equitable divisions of rates, fares, or charges applicable to the transportation of persons or property over

its line or lines of railroad and the lines of the lessee or other carriers, and the provisions of section 15 (6) of the Interstate Commerce Act, as now or hereafter amended, shall apply to said divisions whether or not joint rates covering such transportation have been established."

With the following committee amendments:

On page 1, line 9, strike out the word "lines" and substitute "line."

On page 2, line 5, strike out "that act" and substitute "the Interstate Commerce Act, as amended."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FISH FARMING

The Clerk called the bill (S. 1552) to authorize the Secretary of the Interior to establish a program for the purpose of carrying on certain research and experimentation to develop methods for the commercial production of fish on flooded rice acreage in rotation with rice field crops, and for other purposes.

Mr. PELLY. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

CONVEYANCE OF PROPERTY TO CITY OF ROSEBURG, OREG.

The Clerk called the bill (H. R. 6995) to amend Public Law 883, 84th Congress, to provide for the conveyance of certain additional property of the United States to the city of Roseburg, Oreg., and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. BYRNES of Wisconsin. Mr. Speaker, reserving the right to object, I wonder if I could have advice as to whether the \$50,000 appropriation as originally contemplated has been deleted?

Mr. BROOKS of Texas. If I may advise the gentleman, I think, sir, that every dime of the \$50,000 appropriation was deleted in the subcommittee out of which that bill was passed. This includes just one lot and a couple of feet of an adjacent lot in which this historical building is located.

Mr. BYRNES of Wisconsin. It was originally contemplated, though, was it not, that the \$50,000 be paid to the Historical Society?

Mr. BROOKS of Texas. Yes. That was part of the original bill. They are just going to get the lot, that is all.

Mr. BYRNES of Wisconsin. Fine. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the act entitled "An act authorizing the Administrator of General Services to convey certain property

which has been declared surplus to the needs of the United States to the city of Roseburg, Oreg.," approved August 1, 1956 (Public Law 883, 84th Cong.; 70 Stat. 887), is amended—

(1) by striking out "and removed from said land without cost to the United States"; and

(2) by adding at the end thereof the following:

"SEC. 2. The Administrator shall convey to the city of Roseburg, Oreg., all right, title, and interest of the United States in and to the following described property:

"Lots 5, 6, and 7, block 29, city of Roseburg, Douglas County, Oreg. Subject to rights granted to John Hunter by deed dated April 7, 1899, granting access over a 10-foot gateway along the south and east sides of lot 7 and the east side of lot 6 as recorded in volume 39, page 186, deed records of Douglas County, Oreg. Subject to the rights of the public, if any, to use an alleyway along the east side of lots 5, 6, and 7.

"Such property shall be conveyed on condition that the Douglas County Historical Society shall use such property as an historical site, and if such property shall ever cease to be so used, title thereto shall revert to the United States which shall have the right of immediate entry thereon. The cost of any survey which the Administrator determines is necessary to carry out the provisions of this section shall be paid by the Douglas County Historical Society.

"SEC. 3. If the real property described in section 2 of this act reverts to the United States, the property described in the first section of this act shall, within such reasonable period of time after such reversion as the Administrator may prescribe, be removed from such real property by the Douglas County Historical Society without cost to the United States and disposed of by the society in such manner as it may deem appropriate.

"SEC. 4. In order to provide assistance in the development of a museum for the purpose of preserving historical objects of Douglas County, Oreg., the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Douglas County Historical Society the sum of \$50,000, representing approximately one-half of the amounts heretofore received by the United States from the property devised to the United States by Lillie Lela Moore."

SEC. 2. The Administrator shall make such changes in the conveyance authorized by the first section of Public Law 883, 84th Congress, or make such new conveyance, as may be necessary to carry out the purposes of the amendments made by the first section of this act.

With the following committee amendments:

On page 2, strike lines 4 through 22, and insert in lieu thereof the following:

"SEC. 2. The Administrator shall convey to the city of Roseburg, Oreg., all right, title, and interest of the United States in and to the following described property in the city of Roseburg, Douglas County, Oreg.:

"(a) Lot 5, block 29; and (b) all that portion of lot 6, block 29, described as beginning at a cross chiseled in the sidewalk in the west line of said lot 6 from which the street monument at the intersection of Rose and Washington Streets bears north 62 degrees 02 minutes west 30.0 feet and north 28 degrees 01 minute east 90.26 feet; thence south 62 degrees 02 minutes east 35.67 feet to a brass cap; thence south 28 degrees 01 minute east 8.63 feet to a brass cap; thence north 62 degrees 01 minute 30 seconds west 85.7 feet to the east line of Rose Street; thence south 28 degrees 01 minute west 8.63 feet to the point of beginning.

Reserving to the United States of America, its transferees and assigns a permanent easement

ment over and upon the easterly 10 feet of said lot 5 for alleyway purposes.

"The cost of any survey which the Administrator determines is necessary to carry out the provisions of this section shall be paid by the Douglas County Historical Society. Such property shall be conveyed on condition that the Douglas County Historical Society shall use such property as a historical site; and, if such property shall ever cease to be so used, title thereto shall revert to the United States, which shall have the right of immediate entry thereon."

On page 3, strike lines 6 through 14.

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

INVITATION TO AUTOMATION CONGRESS AND EXPOSITION

The Clerk called the resolution (H. J. Res. 347) authorizing and requesting the President to invite the several States and foreign countries to take part in the Fourth International Automation Congress and Exposition to be held in the New York Coliseum at New York, N. Y., from June 9 to June 13, 1958.

There being no objection, the Clerk read the joint resolution, as follows:

Whereas the International Automation Congress and Exposition to be held in the New York Coliseum at New York, N. Y., from June 9 to June 13 1958, is the fourth such congress and exposition of this kind; and

Whereas such congress and exposition is being arranged for the purpose of exhibiting products used in increasing production, decreasing cost, and improving the standard of living all over the world; and

Whereas our American goal of ever higher quality products at costs which permit ever wider use has caused our business and labor leaders to devote ever increasing attention to automation; and

Whereas automation has achieved recognition as the principal material means of attaining the more productive and enjoyable life all men seek, and offers the United States and the world the most practical means of abolishing the mental and physical drudgery which deadens appreciation of the finer things of life; and

Whereas the Nation's leading executives, engineers, labor leaders, and scientists, with many of their colleagues from abroad, assembled at the Third Automation Exposition and Congress at New York, N. Y., in November 1956 to inform themselves on the latest developments in automation, automatic control, electronic computers, and instrumentation and allied techniques: Therefore be it

Resolved, etc., That the President is authorized and requested to invite the several States and foreign countries to take part in the Fourth International Automation Congress and Exposition to be held in the New York Coliseum at New York, N. Y., from June 9 to June 13, 1958.

Mr. GROSS. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Gross: On page 2, line 7, after "1958," strike the period, insert a semicolon, add the word "and," and insert a new paragraph which shall read as follows:

"Be it further resolved, That no funds appropriated by Congress for any purpose whatsoever shall be used to defray the expenses of any foreign country or foreign individual participating in the Fourth International Automation Congress and Exposition to be held in New York City."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SECOND ANNUAL UNITED STATES WORLD TRADE FAIR

The Clerk called the joint resolution (H. J. Res. 509) authorizing the President to invite the States of the Union and foreign countries to participate in the Second Annual United States World Trade Fair to be held in New York City, N. Y., from May 7 to May 17, 1958.

There being no objection, the Clerk read the joint resolution, as follows:

Resolved, etc., That the President of the United States is authorized, by proclamation or in such other manner as he may deem proper, to invite the States of the Union and foreign countries to participate in the Second Annual United States World Trade Fair to be held at the Coliseum, New York City, N. Y., from May 7 to May 17, 1958, inclusive, for the purpose of exhibiting merchandise and articles of trade and production; and the promotion of travel, tourism, and transportation; and for the purpose of bringing together buyers and sellers for the promotion of foreign and domestic trade and commerce.

Mr. GROSS. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Gross: On page 2, line 4, after the word "commerce", strike out the period, insert a semicolon, add the word "and", and insert a paragraph which shall read as follows:

"Be it further resolved, That no funds appropriated by Congress for any purpose whatsoever shall be used to defray the expenses of any foreign country or foreign individual participating in the Second Annual United States World Trade Fair to be held in New York City."

The amendment was agreed to.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RELIEF OF CERTAIN MEMBERS AND FORMER MEMBERS OF THE ARMY AND AIR FORCE

The Clerk called the bill (H. R. 9371) to provide for the relief of certain members and former members of the Army and the Air Force, and for other purposes.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That any member or former member of the Army or Air Force, who, after August 31, 1952, and before February 1, 1954, was transferred from the United States to a restricted area where his dependents were not permitted to accompany him and whose dependents were transported at the expense of the United States to Hawaii, is entitled to transportation of his household goods from the San Francisco port of embarkation to Hawaii.

SEC. 2. Any payments for transportation of those shipments made by the Department of the Army and the Department of the Air Force to the Military Sea Transport Service for which a person described in section 1 was charged are validated.

SEC. 3. Any person described in section 1 who has repaid the United States the amount

charged for that transportation may be paid the amount involved, if otherwise proper under this act.

SEC. 4. The Comptroller General of the United States, or his designee, shall relieve disbursing officers, including special disbursing agents, of the Army and Air Force from accountability or responsibility for any payments described in this act, and shall allow credits in the settlement of the accounts of those officers or agents for payments which appear to be free from fraud and collusion.

SEC. 5. Appropriations available to the military departments concerned for the travel and transportation of military personnel are available for payments under this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CANCELLATION OF CERTAIN BONDS

The Clerk called the bill (H. R. 8439) to cancel certain bonds posted pursuant to the Immigration Act of 1924, as amended, or the Immigration and Nationality Act.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Attorney General shall, upon application made pursuant to such rules and regulations as he shall promulgate pursuant to this act, cancel any departure bond posted pursuant to the Immigration Act of 1924, as amended, or the Immigration and Nationality Act, on behalf of any refugee who entered the United States as a nonimmigrant after May 6, 1945, and prior to July 1, 1953, and who had his immigration status adjusted to that of an alien admitted for permanent residence pursuant to any public or private law.

SEC. 2. For the purposes of this act, the term "refugee" shall mean any alien who (1) establishes that he lawfully entered the United States as a nonimmigrant, (2) that he is or was a person displaced from the country of his birth or nationality or of his last residence as a result of events subsequent to the outbreak of World War II, and (3) that he cannot or could not return to any of such countries because of persecution or fear of persecution on account of race, religion, or political opinions.

SEC. 3. The Secretary of the Treasury is hereby authorized and directed to refund out of funds not otherwise appropriated any sum or sums of moneys received by the Treasurer of the United States pursuant to the forfeiture of any bond posted in the case of a refugee as defined in sections 1 and 2 of this act on application by the person, persons, organization, or corporation entitled to the refund, and if a person who would have been entitled to a refund is deceased the application shall be made in behalf of his estate. The payments made pursuant to this section shall be made by the Secretary of the Treasury directly to such person, or persons, or organization, or corporation which have paid the moneys upon the forfeiture of the bonds.

With the following committee amendments:

Page 2, line 17, after "act" insert "whose status was adjusted to aforesaid."

Page 2, line 24, after "corporation" strike out "which have paid the moneys upon the forfeiture of the bonds" and insert "entitled to the refund."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

H. R. 5497

IN THE SENATE OF THE UNITED STATES

FEBRUARY 19, 1958

Read twice and referred to the Committee on Agriculture and Forestry

AN ACT

To amend the Watershed Protection and Flood Prevention Act.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 4 (2) (A) of the Watershed Protection and
4 Flood Prevention Act (Public Law 1018, Eighty-fourth
5 Congress) be amended by inserting immediately after “and
6 disposal of water”, the following: “or for recreational and
7 fish and wildlife development.”

8 SEC. 2. The Secretary of Agriculture shall not furnish
9 or agree to furnish financial assistance to local organizations
10 for the institution of works of improvement for recreational
11 and fish and wildlife development pursuant to the authority
12 of this Act prior to July 1, 1958.

Passed the House of Representatives February 17, 1958.

Attest:

RALPH R. ROBERTS,

Clerk.

85TH CONGRESS
2D SESSION

H. R. 5497

AN ACT

To amend the Watershed Protection and Flood
Prevention Act.

FEBRUARY 19, 1958

Read twice and referred to the Committee on
Agriculture and Forestry

H. R. 5497

AN ACT

to amend the National Firearms Act of 1934

and for other purposes

Enacted at the City of Washington on this _____ day of _____, 19____.

May 21, 1958

16. COTTON. Passed without amendment H. R. 6765, to repeal the prohibition against cotton acreage reports based on farmers' planting intentions. This bill will now be sent to the President. pp. 8216, 1233
17. RESEARCH; WILDLIFE. At the request of Sen. Hruska, passed over S. 2447, to authorize studies of the effects of insecticides upon fish and wildlife. p. 8212
18. SALINE WATER. At the request of Sen. Talmadge passed over S. J. Res. 135, to authorize the Interior Department to construct and operate a salt-water conversion demonstration plant. p. 8212
19. FARM PROGRAM. The Agriculture and Forestry Committee ordered reported the following bills:
~~An original bill authorizing transfer of cotton acreage allotments from lands which cannot be planted to other lands in 1958;~~
~~S. 1436, with amendment, to amend various provisions of law regarding ASC committees;~~
~~H. R. 376, to prohibit trading in onion futures on commodity exchanges;~~
~~H. R. 7953, to facilitate and simplify the work of the Forest Service;~~
~~H. R. 5497, to authorize Federal assistance for certain fish and wildlife development projects under the Watershed Protection and Flood Prevention Act; and~~
~~H. R. 11399, to authorize the Secretary to set the level of price support for extra-long-staple cotton at between 60 to 75 percent of parity.~~
~~p. D344~~
20. IMPORTS. The Finance Committee reported with amendments H. R. 6006, to provide for greater certainty, speed, and efficiency in the enforcement of the Anti-dumping Act (S. Rept. 1619). p. 8170
21. INFORMATION. The Judiciary Committee reported without amendment S. 921, to prevent the use of 5 U. S. C. 22 to withhold information. p. 8170
22. RECLAMATION. Passed as reported S. 2215, to authorize the Interior Department to construct, operate, and maintain the Spokane Valley Project. p. 8200
23. FLOOD CONTROL. Sen. Kuchel urged the Senate to act on the flood control authorization bill vetoed by the President, and inserted various communications on the need for such projects in Calif. pp. 8242-6
24. POSTAL RATES AND PAY. Agreed to and sent to the House the conference report on H. R. 5836, the postal rate and pay increase bill, by a vote of 88 to 0. pp. 8227-33
25. STATEHOOD. Sen. Church urged Alaskan statehood, and inserted a letter he wrote to the President to urge his support for the bill. p. 8251
26. FOREIGN AID. The Foreign Relations Committee began consideration of the proposed Mutual Security Act of 1958, and adopted a policy statement that it was the sense of Congress that India be given support in its economic development program. pp. D445-6
27. FOREIGN TRADE. Sen. Morse inserted a summary of Ore. opinion ballots on certain public questions, including support for world trade policies in line with Administration-backed proposals. pp. 8191-4

28. EXPORT CONTROL. Received from the Commerce Department a report on export control for the first quarter of 1958. p. 8169
29. ARBOR DAY. Sen. Javits inserted a resolution of the Greene County, N. Y., Board of Supervisors, urging establishment of a National Arbor Day. p. 8169

ITEMS IN APPENDIX

30. RESEARCH. Sen. Knowland inserted his address before the American Feed Growers Ass'n discussing "pertinent" farm facts and suggesting certain action toward an improved farm program. pp. A4649-51
31. PRICES. Sen. Javits inserted excerpts from Ewan Clague's, Dept. of Labor, speech, "The Consumer Price Index in the Current Price Situation." pp. A4660-1
32. AREA DEVELOPMENT. Extension of remarks of Sen. Thurmond expressing his opposition to the proposed area redevelopment bill. p. A4663
33. TRANSPORTATION. Sen. Wiley inserted a letter from the General Steamship Agencies pointing out the "tremendously impressive savings which have been already realized, thanks to the movement of surplus farm products via the direct, all-water route from the Midwest through the present St. Lawrence seaway." pp. A4669-70
34. FOREIGN AID. Extension of remarks of Sen. Dworshak inserting an editorial urging reappraisal of the foreign aid program. pp. A4675-6
Rep. Chipfield inserted an editorial and a report by Rep. Bass favoring the foreign aid program. pp. A4691-2, A4707
35. ELECTRIFICATION. Sen. Sparkman inserted an editorial, "TVA's Challenge--After 25 Years." pp. A4679-80
36. LIVESTOCK. Rep. Polk inserted an editorial, "Meat Promotion Up Again," emphasizing the need of "being sure any meat promotion moves are right before they are made." pp. A4685-6
37. STATEHOOD. Rep. Poage inserted a letter he had written pointing out "what seems to be an obvious weakness in the pending statehood bill." pp. A4687-88
38. TOBACCO. Rep. Lankford inserted two articles discussing the growth and marketing of tobacco in Md. pp. A4694-95
39. FARM PROGRAM. Extension of remarks of Rep. Schwengel discussing farm policies, in which he states that "it is becoming increasingly clear that political management of agriculture does not work very well," and inserting a magazine article discussing farm conditions. pp. A4706-07
40. FARM DRAINAGE; WILDLIFE. Extension of remarks of Rep. Reuss urging the enactment of legislation to restrict farm draining projects harmful to wildlife, stating that "there is not the slightest doubt that the Department of Agriculture's farm drainage program, as administered under existing law, has in many cases worked directly counter to the best interests of wildlife, water, and even soil conservation," and inserting an article and letter discussing the matter. pp. A4717-18

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued May 27, 1958
For actions of May 26, 1958
85th-2d, No. 83

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HIGHLIGHTS: House received conference report on agricultural appropriation bill. Senate agreed to conference report on Interior appropriation bill. House committee reported bill to permit transfer of cotton allotments due to excessive rainfall. Senate committee reported bill to fix price support on extra-long staple cotton at 70 to 75 percent of parity. Rep. Thomson, and others, commended administration farm program. Senate committee reported mutual security authorization bill. House debated Alaska statehood bill.

HOUSE

1. AGRICULTURAL APPROPRIATION BILL FOR 1959. Received the conference report on this bill, H. R. 11767 (H. Rept. 1776). (pp. 8482-83, 8530) At the end of this Digest is a summary of the actions of the conferees.
2. COTTON ALLOTMENTS. The Agriculture Committee reported with amendment H. R. 12602, to permit the transfer of 1958 farm acreage allotments for cotton in the case of natural disasters (H. Rept. 1772). p. 8530
3. SURPLUS FOODS. The Agriculture Committee reported with amendment H. R. 12164, to permit the donation of surplus foods to nonprofit summer camps for children (H. Rept. 1774). p. 8530
4. STATEHOOD. Continued debate on H. R. 7999, the Alaska statehood bill. pp. 8484-8521

5. FARM PROGRAM. Rep. Thomson commended administration farm policies, discussed recent improvements in various segments of agriculture, and stated "the situation today again proves that price supports at high levels are not in the best interests of agriculture." Other Representatives joined him in commending present policies. pp. 8524-28
6. ECONOMIC CONDITIONS. Rep. Vursell discussed current economic conditions and stated "we should face up to our responsibility, and stop wage and price inflation before this session of Congress adjourns." pp. 8522-24
7. SMALL BUSINESS. Rep. Patman inserted a letter from Gov. McFarland, Ariz., favoring legislation to establish a small business capital bank system. pp. 8528-28

SENATE

May 26, 1958

8. APPROPRIATIONS. Agreed to the conference report on H. R. 10746, the Interior appropriation bill for 1959. For information regarding Forest Service items, see Digest 80. This bill will now be sent to the President. pp. 8445-7

9. AGRICULTURE AND FORESTRY Committee reported the following bills:

Without amendment, H. R. 11399, to authorize the Secretary to set the level of price support for extra long-staple cotton at between 60 and 75 percent of parity (S. Rept. 1628);

With amendments, H. R. 376, to prohibit trading in onion futures on commodity exchanges (S. Rept. 1631);

Without amendment, H. R. 7953, to facilitate and simplify the work of the Forest Service (S. Rept. 1629); and

Without amendment, H. R. 5497, to authorize Federal assistance for certain fish and wildlife development projects under the Watershed Protection and Flood Prevention Act (S. Rept. 1630). p. 8419

10. FOREIGN AID. The Foreign Relations Committee reported with amendment H. R. 12181, the mutual security authorization bill for 1958 (S. Rept. 1627). pp. 8419-20

Sen. Proxmire submitted and discussed three amendments to the foreign aid bill to bar all aid to Yugoslavia, the Dominican Republic, and Saudi Arabia. p. 8424

Sen. Morse discussed the mutual security authorization bill, urged it be strengthened, and announced that his proxy vote for Sen. Long did not indicate that Sen. Long favored the bill. pp. 8450-1

Sen. Wiley urged passage of the mutual security authorization bill and inserted his radio speech in favor of the bill. pp. 8451-2

Sen. Morse obtained unanimous consent to file his minority views and have them printed as part of the Senate report on the mutual security authorization bill. He urged that the bill be amended to contain more loans and fewer grants. pp. 8471-3

Received from the President the 13th semiannual report on the operations of the mutual security program (H. Doc. 368). p. 8417

Received from the Comptroller General an audit report on the Economic and Technical Assistance Program for Vietnam as conducted by ICA from 1955 to 1957. p. 8418

11. IMPORTS. Passed as reported H. R. 6006, to provide for greater certainty, speed and efficiency in the enforcement of the Antidumping Act. pp. 8455-6

RECREATIONAL ASPECTS OF WATERSHED
PROTECTION PROJECTS

MAY 26, 1958.—Ordered to be printed

Mr. EASTLAND, from the Committee on Agriculture and Forestry,
submitted the following

R E P O R T

[To accompany H. R. 5497]

The Committee on Agriculture and Forestry, to whom was referred the bill (H. R. 5497) to amend the Watershed Protection and Flood Prevention Act, having considered the same, report thereon with a recommendation that it do pass without amendment.

This bill would permit the Federal Government to bear a part of the cost of the recreational and fish and wildlife phases of watershed protection projects.

A fuller explanation of the bill is set out in the attached report of the House Committee on Agriculture.

[H. Rept. No. 990, 85th Cong., 1st sess.]

The Committee on Agriculture, to whom was referred the bill (H. R. 5497) to amend the Watershed Protection and Flood Prevention Act, having considered the same, report favorably thereon with amendment and recommend that the bill do pass.

The amendment is as follows:

Page 1, following line 7, add the following new section:

SEC. 2. The Secretary of Agriculture shall not furnish or agree to furnish financial assistance to local organizations for the institution of works of improvement for recreational and fish and wildlife development pursuant to the authority of this Act prior to July 1, 1958.

STATEMENT

The purpose of this bill is to include facilities for recreation and for fish and wildlife development in projects undertaken pursuant to the Watershed Protection and Flood Prevention Act in such a way that

2 RECREATIONAL ASPECTS OF WATERSHED PROTECTION PROJECTS

the Federal Government will be authorized to bear a part of the cost of such facilities if there are significant benefits of national or regional character accruing from such facilities.

COMMITTEE AMENDMENT

The committee amendment provides that no Federal funds may be used in connection with improvements for recreational and fish and wildlife development prior to fiscal year 1959 by which time, presumably, provision will have been made in the Soil Conservation Service budget for such assistance.

DEPARTMENTAL APPROVAL

At the time of the hearing on this bill the Department of Agriculture had not had an opportunity to make a formal report on the measure. Therefore, the appearance before the subcommittee of Don A. Williams, Administrator, Soil Conservation Service, was in lieu of such report. Following is the statement of Mr. Williams, indicating a generally favorable attitude on the part of the Soil Conservation Service to this proposed legislation.

STATEMENT OF DON A. WILLIAMS, ADMINISTRATOR, ACCOMPANIED BY CARL B. BROWN, DIRECTOR, PLANNING DIVISION, SOIL CONSERVATION SERVICE

Mr. WILLIAMS. Mr. Chairman, I have a brief statement which will contain a little bit of repetition of some things that were just mentioned here with reference to the water resources policy recommendations that the President sent to the Congress.

We appreciate this opportunity to testify on H. R. 5497, a bill to amend the Watershed Protection and Flood Prevention Act.

Section 4 (2) (a) of the Watershed Protection and Flood Prevention Act, as amended, provides that—

“The Secretary shall require as a condition to provide Federal assistance for the installation of works of improvement that local organizations shall * * * assume * * * such proportionate share, as is determined by the Secretary to be equitable in consideration of direct identifiable benefits, of the costs of installing any works of improvement, involving Federal assistance, which is applicable to the agricultural phases of the conservation, development, utilization, and disposal of water * * *.”

H. R. 5497 would add at this place “or for recreational and fish and wildlife development.”

Thus, recreation and fish and wildlife developments would be eligible for some degree of Federal cost-sharing as a part of watershed projects if the Secretary finds that they produce other than direct identifiable benefits.

The provisions of H. R. 5497 are consistent with the recommendations contained in a Report of the Presidential Advisory Committee on Water Resources Policy which was transmitted to the Congress by the President on January 16, 1956.

Under the heading of "Recreation and Fish and Wildlife" this report states (p. 32):

"The committee believes that the enhancement or improvement of basic recreation facilities (provision for access, public health, safety and protection) and fish and wildlife resources of less than national significance should be treated in accordance with the general cost-sharing procedure proposed herein."

The general cost-sharing procedure described in this report (p. 31) is as follows:

"The committee recommends, as a general policy, that all interests participate in the cost of projects in accordance with the measure of their benefits and that the Federal Government assume the cost of that part of projects where the benefits are widely dispersed and represent substantial contributions to the general economic growth of the country or region, or to the national defense.

"The division of costs between Federal and non-Federal entities should be equitably determined on the basis of the degree and character of the respective interests, and the ability to identify direct beneficiaries.

"Where the project is primarily of a local character, and where beneficiaries are readily identifiable, the Federal Government's contribution should be limited, with the non-Federal interests bearing a substantial portion of the construction costs of the project as well as the replacement maintenance, and operation costs."

Printed copies of H. R. 5497 have not yet become available to the Department and the Bureau of the Budget. It has not been possible, therefore, to establish any policy position on this proposed amendment.

As a matter of principle, however, the Department would take the view that recreation and fish and wildlife benefits of more than local character must be fully demonstrated before any Federal cost-sharing would be provided for installation of works of improvement.

Significant benefits of national or regional character should accrue to justify Federal cost-sharing. The Department reaffirms its position that the costs of producing purely local benefits should be borne by local organizations and that benefits which are confined within the limits of a State should be the primary responsibility of State government and local organizations.

Moreover, in the selection of projects for Federal assistance the Department would ordinarily give lower priority to projects in which recreation and fish and wildlife were dominant purposes than to those projects which were primarily for watershed protection, flood prevention, and agricultural water management.

On the other hand, it is our conviction that all types of water-management needs should be provided for in watershed projects. Where recreation and fish and wildlife are important elements in multiple-purpose watershed protection and development, they should be given full consideration in

keeping with the potential benefits which may stem from them.

I might add to that, Mr. Chairman, that in several of the Public Law 566 projects that are now in the watershed planning stage that there are a number of recreational interests and fish and wildlife interests involved, and that even though the present act does not permit through the cost-sharing provisions in the Federal Government sharing in the cost of recreational and fish and wildlife purposes, that features of programs desired by local people are being included in the watershed plans even though they are being paid for by other than Federal Government sources.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

WATERSHED PROTECTION AND FLOOD PREVENTION ACT

* * * * *

SEC. 4. The Secretary shall require as a condition to providing Federal assistance for the installation of works of improvement that local organizations shall—

(1) acquire without cost to the Federal Government such land, easements, or rights-of-way as will be needed in connection with works of improvement installed with Federal assistance;

(2) assume (A) such proportionate share, as is determined by the Secretary to be equitable in consideration of the direct identifiable benefits, of the costs of installing any works of improvement, involving Federal assistance, which is applicable to the agricultural phases of the conservation, development, utilization, and disposal of water *or for recreational and fish and wildlife development*, and (B) all of the cost of installing any portion of such works applicable to other purposes except that any part of the construction cost (including engineering costs) applicable to flood prevention and features relating thereto shall be borne by the Federal Government and paid for by the Secretary out of funds appropriated for the purposes of this Act.

Calendar No. 1660

85TH CONGRESS
2D SESSION

H. R. 5497

[Report No. 1630]

IN THE SENATE OF THE UNITED STATES

FEBRUARY 19, 1958

Read twice and referred to the Committee on Agriculture and Forestry

MAY 26, 1958

Reported by Mr. EASTLAND, without amendment

AN ACT

To amend the Watershed Protection and Flood Prevention Act.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 4 (2) (A) of the Watershed Protection and
4 Flood Prevention Act (Public Law 1018, Eighty-fourth
5 Congress) be amended by inserting immediately after “and
6 disposal of water”, the following: “or for recreational and
7 fish and wildlife development.”

8 SEC. 2. The Secretary of Agriculture shall not furnish
9 or agree to furnish financial assistance to local organizations
10 for the institution of works of improvement for recreational
11 and fish and wildlife development pursuant to the authority
12 of this Act prior to July 1, 1958.

Passed the House of Representatives February 17, 1958.

Attest:

RALPH R. ROBERTS,

Clerk.

85TH CONGRESS
2D SESSION

H. R. 5497

[Report No. 1630]

AN ACT

To amend the Watershed Protection and Flood
Prevention Act.

FEBRUARY 19, 1958

Read twice and referred to the Committee on
Agriculture and Forestry

MAY 26, 1958

Reported without amendment

June 23, 1958

11. COTTON. Passed without amendment H. R. 11399, to authorize the Secretary to set the levels of price support for extra long-staple cotton at between 60 to 75 percent of parity. This bill will now be sent to the President. p. 10765
12. DEFENSE PRODUCTION. Passed without amendment H. R. 10969 (in place of a similar bill S. 3323), to extend the Defense Production Act for 2 years until June 30, 1960. This bill will now be sent to the President. pp. 10773-4
13. LIVESTOCK LOANS. Passed as reported H. R. 11424, to extend for 2 years, through July 14, 1961, the authority of the Secretary to extend or make supplementary advances to borrowers for special livestock loans. p. 10780
14. TOBACCO. Passed without amendment H. R. 11058, to reduce the acreage allotments of tobacco farmers who harvest more than one crop of tobacco in a year from the same acreage. This bill will now be sent to the President. p. 10780
15. NATURAL RESOURCES. Passed as reported S. 2517, to authorize the States to choose mineral lands in making selections in lieu of sections of public lands occupied before State claims were made. pp. 10781-3
16. SURPLUS FOODS. Passed without amendment H. R. 12164, to permit the donation of surplus foods to nonprofit summer camps for children without regard to the number of needy children actually enrolled. This bill will now be sent to the President. p. 10780
17. INSPECTION SERVICES. Passed without amendment S. 3873, to authorize the interchange of inspection services between executive agencies without reimbursement or transfer of funds. p. 10769
18. PROPERTY. Passed as reported S. 3142, to authorize the lease of Federal building sites until needed for actual construction. p. 10769
19. TRANSPORTATION. Passed as reported S. Res 303, to provide for a study of transportation policies in the United States by the Interstate and Foreign Commerce Committee, including the exemption provisions in the laws regulating transportation. p. 10773
20. MONOPOLIES. The Judiciary Committee ordered reported with amendment S. 11, to amend the Robinson-Patman Act to make price discrimination prima facie proof of violation of the law. p. D578
21. STATEHOOD. Began debate on H. R. 7999, to admit Alaska as a State. pp. 10766, 10786, 10803, 10804, 10804-10.
22. INFORMATION. At the request of Sen. Talmadge, passed over S. 921, to restrict the right of Federal officers to withhold information or records. p. 10765.
23. WATERSHEDS. At the request of Sen. Hruska, passed over H. R. 5497, to authorize Federal assistance for certain fish and wildlife development projects under the Watershed Protection and Flood Prevention Act. p. 10765
24. ONION FUTURES. At the request of Sen. Hruska, passed over H. R. 376, to prohibit trading in onion futures on commodity exchanges. p. 10765

25. FARMER COMMITTEES. At the request of Sen. Talmadge, passed over S. 1436, to amend various provisions of law regarding ASC committees, to provide for the administration of the farm program by farmer elected committees, etc. p. 10766
26. BUILDINGS. At the request of Sen. Hruska, passed over S. 3560, to authorize construction of a \$20 million Federal building in Memphis, Tenn. p. 10766
27. TEXTILES. At the request of Sen. Talmadge, passed over H. R. 469, to protect producers and consumers against misbranding and false advertising of the fiber content of textile fiber products. pp. 10766-7
28. MINERALS. At the request of Sen. Mansfield, passed over S. 3817, to encourage exploration for minerals with Federal aid. p. 10769
29. TRANSPORTATION. At the request of Sens. Talmadge and Hruska, passed over S. 3916, to extend for two years provisions of the Shipping Act of 1916 to allow continuation of existing dual-rate contract agreements. p. 10774
30. SMALL BUSINESS. At the request of Sen. Clark, passed over H. R. 7963, to extend the Small Business Act of 1953, and increase the SBA loan authority. p. 10775
31. REORGANIZATION. At the request of Sen. Talmadge, passed over S. Res. 297, to disapprove Reorganization Plan No. 1 of 1958, to merge the Office of Defense Mobilization and the Federal Civil Defense Administration. p. 10776
Sen. Potter commended the adverse report of the Government Operations Committee on S. Res. 297, and the evaluation of the proposed merger. p. 10802
32. HUMANE SLAUGHTER. At the request of Sen. Talmadge, passed over H. R. 8308, to require the use of humane methods in the slaughter of livestock and poultry. p. 10780
33. FOREIGN TRADE. Sen. Thurmond submitted amendments to H. R. 12591, the trade agreements extension bill, proposing to limit the extension to 2 years and to require Congressional assent to Presidential action reversing findings of the Tariff Commission. p. 10804
34. EXTENSION. Sen. Johnston inserted an editorial on the death of Dr. F. Franklin Poole, President of Clemson College, S. C. pp. 10783-4
35. RECLAMATION. Received from the Interior Department a report that the Bountiful, Utah, Water Subconservancy District, had applied for a loan of \$3,510,000, under the Small Reclamation Projects Act. p. 10747

ITEMS IN APPENDIX

36. FOREIGN AID. Rep. Green inserted an article, "Over \$63 Million in Foreign Aid Shared by Eight Oregon Communities." pp. A5696-7
37. COTTON. Extension of remarks of Sen. Sparkman urging aid for cotton farmers and inserting an article, "Cotton's Decline, Long Foreseen, Still Pains Many Dixie Farmers--Some Quit, Wind Up On City Relief Rolls; Others Find Pinch Profits Harder." pp. A5697-8
38. DAIRY INDUSTRY. Extension of remarks of Sen. Proxmire inserting 2 Grange organization resolutions in support of his bill, S. 2952. p. A5698

BILLS PASSED OVER

The bill (S. 921) to amend section 161 of the Revised Statutes with respect to the authority of Federal officers and agencies to withhold information and limit the availability of records was announced as next in order.

Mr. TALMADGE. Over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (H. R. 8439) to cancel certain bonds posted pursuant to the Immigration Act of 1924, as amended, or the Immigration and Nationality Act, was announced as next in order.

Mr. TALMADGE. Over.

The PRESIDING OFFICER. The bill will be passed over.

PRICE SUPPORT FOR CROPS OF EXTRA-LONG-STAPLE COTTON

The bill (H. R. 11399) relating to price support for the 1958 and subsequent crops of extra-long-staple cotton was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. KNOWLAND. Over.

Mr. ANDERSON. Mr. President, will the Senator from California withhold his objection for a moment, while I make a statement?

Mr. KNOWLAND. I withhold my objection.

Mr. ANDERSON. The bill will allow the producers of extra-long-staple cotton—and its production is confined to about 3 States—to have their support level reduced from 75 percent to 60 percent by the Secretary of Agriculture. This will enable those producers to meet the competition of Egyptian cotton. There never has been objection to such a proposal at any time it has been brought up. I know of no objection to it now. There certainly is no objection whatever on the part of those who produce this kind of cotton in west Texas, New Mexico, Arizona, and, in a small quantity, in California. The amount of production is small, perhaps only a few thousand bales.

The producers of this type of cotton have done well in developing a market for it.

The Senator from Arizona [Mr. HAYDEN] is fully acquainted with the development of this type of cotton. I know of no objection to the proposal.

Mr. KNOWLAND. I simply questioned whether the bill was calendar business. But since there has been an explanation of the bill—

Mr. ANDERSON. I assure the able Senator from California that there is no real objection to the bill.

Mr. JOHNSTON of South Carolina. I handled the bill in the committee and reported it for the committee. I have heard of no opposition whatsoever to the bill from either side.

The bill would establish price support for extra-long-staple cotton at 60 to 75 percent of parity, instead of 75 percent as now required.

The United States does not produce its requirements of this type of cotton, and

the bill would put American cotton of this type in a better competitive position with similar foreign cotton, thereby giving American producers an opportunity to develop their markets.

The PRESIDING OFFICER. Does the Senator from California renew his objection?

Mr. KNOWLAND. No; I withdraw my objection.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill (H. R. 11399) was considered, ordered to a third reading, read the third time, and passed.

BILLS PASSED OVER

The bill (H. R. 5497) to amend the Watershed Protection and Flood Prevention Act, was announced as next in order.

Mr. HRUSKA. Over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (H. R. 376) to amend the Commodity Exchange Act to prohibit trading in onion futures in commodity exchanges was announced as next in order.

Mr. HRUSKA. Over.

The PRESIDING OFFICER. The bill will be passed over.

MARIA PONTILLO

The bill (S. 2850) for the relief of Maria Pontillo was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Maria Pontillo shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

MISS ALLEGRA AZOUZ

The bill (S. 3042) for the relief of Miss Allegra Azouz was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Miss Allegra Azouz shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

FEOFANIA BANKEVITZ

The Senate proceeded to consider the bill (S. 2936) for the relief of Feofania Bankevitz, which had been reported from the Committee on the Judiciary, with an amendment to strike out all after the enacting clause and insert:

That, notwithstanding the provision of section 212 (a) (6) of the Immigration and Nationality Act, Feofania Bankevitz may be issued a visa and be admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of that act, under such conditions and controls which the Attorney General, after consultation with the Surgeon General of the United States Public Health Service, Department of Health, Education, and Welfare, may deem necessary to impose: *Provided*, That if the beneficiary is not entitled to medical care under the Dependents' Medical Care Act (70 Stat. 250), a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the Immigration and Nationality Act: *And provided further*, That the exemption granted herein shall apply only to a ground for exclusion of which the Department of Justice or the Department of State had knowledge prior to the enactment of this act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Feofania Bankevitz."

BERNABE MIRANDA AND OTHERS

The Senate proceeded to consider the bill (S. 2983) for the relief of Bernabe Miranda, Manuel Miranda, and Anastacio Miranda, which had been reported from the Committee on the Judiciary, with amendments, in line 5, after the name "Miranda," where it appears the first time, to insert "and," and, in the same line, after the name "Miranda," where it appears the second time, to strike out the comma and "and Anastacio Minda," so as to make the bill read:

Be it enacted, etc., That, for the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, Bernabe Miranda, and Manuel Miranda, shall be held and considered to be the minor alien children of Sergeant First Class Elisha Miranda, a citizen of the United States.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Bernabe Miranda and Manuel Miranda."

GEORGIOS PAPACONSTANTINOU

The Senate proceeded to consider the bill (S. 3130) for the relief of Georgios Papaconstantinou, which had been reported from the Committee on the Judiciary, with an amendment, in line 4, after the word "act", to strike out "Georgios Papaconstantinou shall be held and considered to be under 21 years of age" and insert "Georgios Papakonstantinou shall be held and considered to be the minor alien child of Mr. and Mrs. Gabriel Konstantinou, citizens of the United States.", so as to make the bill read:

Be it enacted, etc., That, for the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, Georgios Papakonstantinou shall be held and considered to be the minor alien child of Mr. and Mrs. Gabriel Konstantinou, citizens of the United States.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Georgios Papakonstantinou."

ADAMANTIA ANDRIKOPOULOUS (PAPPAS) PAPAVALIOU

The Senate proceeded to consider the bill (S. 3305) for the relief of Adamantia Andrikopoulous (Pappas) Papavasiliou, which had been reported from the Committee on the Judiciary, with amendments, in line 5, after the name "Adamantia", to strike out "Andrikopoulous (Pappas)", and in line 8, after the words "United States", to insert a colon and "Provided, That no natural parent of the beneficiary, by virtue of such relationship, shall be accorded any right, status, or privilege under the Immigration and Nationality Act.", so as to make the bill read:

Be it enacted, etc., That, for the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, Adamantia Papavasiliou, shall be held and considered to be the natural-born alien child of Mr. and Mrs. George (Pappas) Papavasiliou, citizens of the United States: *Provided*, That no natural parent of the beneficiary, by virtue of such relationship, shall be accorded any right, status, or privilege under the Immigration and Nationality Act.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Adamantia Papavasiliou."

BILLS PASSED OVER

The bill (S. 3493) to amend the District of Columbia Unemployment Compensation Act of 1935, as amended, was announced as next in order.

Mr. TALMADGE. Mr. President, I ask that the bill go over, as not being proper calendar business.

The PRESIDING OFFICER. Objection being heard, the bill will be passed over.

The bill (S. 3918) to authorize the sale of nonessential vessels of the merchant marine national defense reserve fleet was announced as next in order.

Mr. TALMADGE. Mr. President, I ask that the bill go over, as not being proper calendar business.

The PRESIDING OFFICER. Objection being heard, the bill will be passed over.

The bill (H. R. 7999) to provide for the admission of the State of Alaska into the Union was announced as next in order.

Mr. TALMADGE. Mr. President, I ask that the bill go over, as not being proper calendar business.

The PRESIDING OFFICER. Objection being heard, the bill will be passed over.

EXCHANGE OF CERTAIN LANDS

The Senate proceeded to consider the bill (S. 3569) to authorize the Secretary of the Interior to exchange certain Federal lands for certain lands owned by the State of Utah, which had been reported from the Committee on Interior and Insular Affairs with an amendment, on page 2, line 19, after the word "east", to strike out "864.65" and insert "864.35", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to accept on behalf of the United States from the State of Utah the conveyance in fee simple of the following described lands situated in such State:

Beginning at United States Government monument numbered 6 (monument numbered 6 is 876.31 feet south and 2,453.795 feet east more or less from the northwest corner of section numbered 4, township 1 south, range 1 east, Salt Lake meridian) and running thence south 480 feet to the south boundary of the United States Bureau of Mines property; thence west 60 feet; thence north 400 feet; thence west 544.5 feet; thence south 400.0 feet; thence west 60.0 feet; thence north 480 feet; thence east 664.5 feet more or less to the point of beginning and containing 2.32 acres more or less.

Sec. 2. In return for the lands described in the first section of this act the Secretary of the Interior is authorized and directed to convey by quitclaim deed to the State of Utah all right, title, and interest of the United States in and to the following described lands situated in such State:

PARCEL NO. 1

Beginning at a point 664.5 feet west of United States Government monument numbered 6 (monument numbered 6 is 876.31 feet south and 2,453.795 feet east more or less from the northwest corner of section numbered 4, township 1 south, range 1 east, Salt Lake meridian) and running thence north 160.0 feet; thence east 864.35 feet more or less to the east boundary of the United States Bureau of Mines property; thence north 0 degrees 00 minutes 50 seconds west 237.6 feet; thence south 67 degrees 11 minutes 40 seconds west 366.35 feet; thence north 88 degrees 21 minutes 10 seconds west 682.72 feet; thence south 325.41 feet; thence east 155.5 feet more or less to the point of beginning and containing 4.69 acres more or less.

PARCEL NO. 2

Beginning at a point 480 feet south of United States Government monument numbered 6; thence north 89 degrees 59 minutes 10 seconds east 200.00 feet; thence north 0 degrees 00 minutes 50 seconds west 136.10 feet; thence south 55 degrees 45 minutes 00 seconds west 241.92 feet more or less to the point of beginning and containing 0.31 acres more or less.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

EXCHANGE OF CERTAIN PROPERTIES WITHIN DEATH VALLEY NATIONAL MONUMENT, CALIF.

The bill (H. R. 10349) to authorize the acquisition by exchange of certain properties within Death Valley National Monument, Calif., and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 1436) to amend section 8 (b) of the Soil Conservation and Domestic Allotment Act, as amended, to provide for administration of farm programs by democratically elected farmer committeemen was announced as next in order.

Mr. TALMADGE. I ask that the bill go over, as not being proper calendar business.

The PRESIDING OFFICER. Objection being heard, the bill will be passed over.

CONVEYANCE OF CERTAIN PROPERTY TO THE VILLAGE OF CAREY, OHIO

The bill (S. 3139) to repeal the act of July 2, 1956, concerning the conveyance of certain property of the United States to the village of Carey, Ohio, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the act of July 2, 1956 (70 Stat. 486, ch. 496), is hereby repealed.

REMOVAL OF CLOUD ON TITLE TO CERTAIN REAL PROPERTY, STATE OF ILLINOIS

The bill (H. R. 7081) to provide for the removal of a cloud on the title to certain real property located in the State of Illinois was considered, ordered to a third reading, read the third time, and passed.

RECONVEYANCE OF CERTAIN REAL PROPERTY TO NEWAYGO, MICH.

The bill (H. R. 10009) to provide for the reconveyance of certain surplus real property to Newaygo, Mich., was considered, ordered to a third reading, read the third time, and passed.

BILLS PASSED OVER

The bill (S. 3560) to authorize the construction of a courthouse and a Federal office building in Memphis, Tenn., and for other purposes, was announced as next in order.

Mr. HRUSKA. By request, I ask that the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 3912) to amend the Atomic Energy Act of 1954, as amended, was announced as next in order.

Mr. TALMADGE. Mr. President, I ask that the bill go over, as not being proper calendar business.

The PRESIDING OFFICER. Objection being heard, the bill will be passed over.

The bill (H. R. 469) to protect producers and consumers against misbranding and false advertising of the fiber content of textile fiber products, and for other purposes, was announced as next in order.

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22. **WATER RESOURCES.** Passed with amendments H. R. 5497, to authorize Federal assistance for certain fish and wildlife development projects under the Watershed Protection and Flood Prevention Act. Agreed to two amendments by Sen. Cotton to exclude recreational facilities from the bill. pp. 16716-19
- Passed with amendment H. R. 12216, to designate a dam on the Cumberland River near Carthage, Tenn., as the Cordell Hull Dam, and to establish a U. S. study commission on certain Texas river basins. pp. 16634-5
- Passed without amendment H. J. Res. 585, to authorize the Secretary of the Interior to conduct studies into the feasibility of furnishing water from the Central Valley Project to the counties of Santa Clara, San Benito, Santa Cruz, and Monterey, Calif., by way of the Pacheco Tunnel route or other means. This measure will now be sent to the President. p. 16638
- Sen. Neuberger discussed S. 3185, to require the FPC to secure approval by the Secretary of the Interior of any license affecting fish and wildlife resources. He asserted that the amendment proposed by Sen. Morse, to require only that the FPC receive recommendations but not be bound by them, would maintain the present situation in FPC, which, he alleged, "has neither special competence nor special sympathy for conservation goals and methods, when they would militate against construction of a power project." pp. 16622-26
- Sen. Watkins inserted two articles on Russian hydro-power development which asserted that their program was behind schedule, and greater emphasis was now being placed on thermal power generation. pp. 16617-18
- Sen. Johnson discussed the development of Texas' water resources and urged the development of a unified program. pp. 16611-12
23. **FORESTRY.** Passed without amendment H. R. 8481, to extend title IV of the Agricultural Act of 1956, relating to forestry, to Hawaii. This bill will now be sent to the President. p. 16638
- Sen. Humphrey inserted resolutions from the cities of Tower, Eveleth, and Kinney, Minn., urging the appropriation of additional funds for construction projects planned for the Superior National Forest. p. 16613
24. **LAND UTILIZATION.** Passed without amendment H. R. 12494, to authorize this Department, in selling or agreeing to the sale of certain lands to N. C., to permit the State to sell or exchange such lands for private purposes. This bill will now be sent to the President. p. 16638
25. **ELECTRIFICATION.** Passed without amendment S. 3571, to provide for equal treatment of all State-owned hydro-electric power projects with respect to the taking over of such projects by the U. S. p. 16633
- Sen. Humphrey inserted a resolution from the East River Electric Power Cooperative urging the enactment of S. 2990 and H. R. 11762, to transfer certain REA functions from the Secretary to the REA Administrator. pp. 16612-13
26. **RESEARCH.** Passed with amendment S. 3268, to provide various amendments to the National Science Foundation Act. pp. 16631-2
27. **ADMINISTRATIVE ORDERS.** The Judiciary Committee reported without amendment H. R. 6789, to provide for reasonable notice of applications to the U. S. courts of appeals for interlocutory relief against the orders of certain administrative agencies (S. Rept. 2435). p. 16613
28. **FOOD ADDITIVES.** The Labor and Public Welfare Committee reported with amendments H. R. 13254, to amend the Federal Food, Drug, and Cosmetic Act so as to prohibit the use in foods of additives which have not been adequately tested to establish their safety (S. Rept. 2422). p. 16613

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11. PERSONNEL. Passed as reported H. R. 9407, to provide additional opportunity for certain employees to obtain career-conditional and career appointments in the competitive service. p. 16848
Passed without amendment S. 4004, to encourage transfers of Federal employees for service with international organizations. This bill will now be sent to the President. pp. 16849-49
Passed as reported S. 3195, to authorize certain retired Federal personnel to accept and wear decorations, presents, and other things tendered them by certain foreign countries. pp. 16850-66
12. INSPECTION SERVICES. Passed without amendment S. 3873, to permit the interchange of inspection services between executive agencies without reimbursement or transfer of funds. This bill will now be sent to the President. p. 16867
13. MINING CLAIMS. Passed over without prejudice, at the request of Rep. Saylor, S. 2039, to clarify the requirements with respect to the performance of labor imposed as a condition for the holding of mining claims on Federal lands pending the issuance of patents therefor. p. 16867
14. EDUCATION. The Rules Committee reported a resolution for consideration of H. 13247, the national defense education bill. p. 16887
15. SALINE WATER. The "Daily Digest" states that conferees agreed to file a report on "S. J. Res. 135, relating to the conversion of saline water to potable uses." p. D871
16. LEGISLATIVE PROCEDURE. Rep. Arends objected to scheduling numerous bills in the House for consideration under suspension of the rules, stating that "some of these bills you have scheduled are of major importance and highly controversial and extremely costly to the American people." p. 16804

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17. FARM PROGRAM. Concurred in the House amendment to S. 4071, the Senate farm bill. This bill will now be sent to the President. (pp. 16748-59) See Digest 140 regarding provisions of the House Amendment.
18. FARM LABOR. Passed without amendment H. R. 10360, to extend the Mexican farm labor program until June 30, 1961. This bill will now be sent to the President. p. 16659
19. LIVESTOCK DISEASES. Passed as reported H. R. 12126, to extend to wild animals the same prohibition against entry into the U. S. as domestic animals from any country where rinderpest or foot-or-mouth disease exists. p. 16661
20. MARGARINE. Passed with amendment H. R. 912, to amend the Navy ration statute to permit the serving of oleo or margarine. pp. 16661-2
21. TEXTILES. Passed with amendments H. R. 469, to protect producers and consumers against misbranding and false advertising of the fiber content of textile fiber products. (pp. 16720-1, 16725, 16726-45)
Adopted the committee amendments, and an amendment by Sen. Javits, to eliminate language requiring the labeling of the containers of imported textile products (p. 16744).

(47) The World War Adjusted Compensation Act (38 U. S. C. 591-613, 614-618, 619-649, 661-668, 681-683).

(48) The act of June 5, 1924 (ch. 262, 43 Stat. 389).

(49) (A) The amendment made to the act of June 7, 1924, by the act of March 26, 1928 (ch. 245, 45 Stat. 366), which amendment is hereby declared to have been solely an amendment to the paragraph which begins "The following persons" on page 519 of volume 43 of the United States Statutes at Large (24 U. S. C. 131).

(B) The paragraph referred to in subparagraph (A).

(50) The act of June 7, 1924 (43 Stat. 534; 24 U. S. C. 135).

(51) In the World War Veterans Act, 1924, title I (38 U. S. C. 421-445, 447-459c); title III (38 U. S. C. 511-512b, 512c-518); and section 605 (38 U. S. C. 574).

(52) The proviso in the paragraph which begins "State and Territorial homes for disabled soldiers and sailors:" under the center heading "National Home for Disabled Volunteer Soldiers" in each of the following acts:

(A) the act of February 12, 1925 (43 Stat. 933);

(B) the act of April 15, 1926 (44 Stat. 294);

(C) the act of February 23, 1927 (44 Stat. 1145);

(D) the First Deficiency Act, fiscal year 1928 (45 Stat. 39);

(E) the act of March 23, 1928 (45 Stat. 362);

(F) the act of February 28, 1929 (45 Stat. 1385); and

(G) the act of May 28, 1930 (46 Stat. 466).

(53) The fourth proviso in the paragraph which begins "Vocational rehabilitation" under the center heading "United States Veterans' Bureau" in the act of March 3, 1925 (43 Stat. 1211).

(54) The act of July 3, 1926 (44 Stat. 826; 38 U. S. C. 618a-618e, 669).

(55) The act of March 4, 1927 (ch. 490, 44 Stat. 1410).

(56) The act of March 4, 1927 (ch. 491, 44 Stat. 1411).

(57) The act of March 4, 1927 (ch. 504, 44 Stat. 1421).

(58) Section 7 of the act of May 29, 1928 (45 Stat. 949; 38 U. S. C. 670).

(59) The act of February 20, 1929 (ch. 272, 45 Stat. 1248).

(60) The act of May 16, 1930 (ch. 290, 46 Stat. 366).

(61) Sections 4 and 5 of the act of June 5, 1930 (46 Stat. 497; 38 U. S. C. 613a).

(62) The act of June 21, 1930 (ch. 562, 46 Stat. 792).

(63) The act of July 3, 1930 (ch. 532, 46 Stat. 852).

(64) The proviso in the paragraph which begins "State and Territorial Homes for Disabled Soldiers and Sailors:" under the center heading "Veterans' Administration" in each of the following acts—

(A) the Independent Offices Appropriation Act, 1932 (46 Stat. 1375); and

(B) the Independent Offices Appropriation Act, 1933 (47 Stat. 472).

(65) Sections 3 and 4 of the Emergency Adjusted Compensation Act, 1931 (46 Stat. 1430; 38 U. S. C. 650).

(66) The joint resolution of July 8, 1932 (47 Stat. 654).

(67) Parts VII and VIII of Veterans Regulation No. 1 (a) (38 U. S. C. ch. 12A) except that the repeal of part VII shall not take effect in such manner as to impair the operation of the deferred repeal of a portion of paragraph 9 of such part as provided in section 21 of the Government Employees Training Act (72 Stat. 338).

(68) In the Independent Offices Appropriation Act, 1934 (48 Stat. 283), the sixth

paragraph under the center heading "Veterans' Administration" (38 U. S. C. 445b); and section 20.

(69) The joint resolution of January 28, 1935 (49 Stat. 1; 38 U. S. C. 445c).

(70) Section 5 of the act of August 23, 1935 (49 Stat. 730; 38 U. S. C. 622 note).

(71) The Adjusted Compensation Payment Act, 1936 (49 Stat. 1099; 38 U. S. C. ch. 11A).

(72) Section 404 of the act of June 29, 1936 (38 U. S. C. 445d).

(73) Section 7 of the act of July 19, 1939 (53 Stat. 1070; 38 U. S. C. 512b-1).

(74) Section 2 of the act of August 1, 1939 (53 Stat. 1145; 24 U. S. C. 134 note).

(75) The National Service Life Insurance Act of 1940 (38 U. S. C. 801-805, 806-818, 820-824).

(76) The last sentence of section 407 of the Soldiers' and Sailors' Civil Relief Act of 1940 (50 App. U. S. C. 547).

(77) The act of February 10, 1942 (56 Stat. 87; 38 U. S. C. 805a).

(78) Section 4 of the act of July 11, 1942 (56 Stat. 658).

(79) Section 2 of the act of December 3, 1942 (56 Stat. 1038; 33 U. S. C. 855a).

(80) Section 2 of the act of December 18, 1942 (ch. 768, 56 Stat. 1066).

(81) Sections 3 and 4 of the act of March 24, 1943 (57 Stat. 45; 38 U. S. C. ch. 12A, note to pt. VII of VR 1 (a)).

(82) The paragraph headed "Veterans' Administration" in title I of the Urgent Deficiency Appropriation Act, 1943 (57 Stat. 434; 38 U. S. C. ch. 12A, note to pt. VII of VR 1 (a)).

(83) The act of October 25, 1943 (ch. 276, 57 Stat. 575).

(84) The act of November 22, 1943 (57 Stat. 590; 36 U. S. C. 183-184).

(85) Section 2 of the act of December 17, 1943 (57 Stat. 603; 24 U. S. C. 134 note).

(86) The Mustering-Out Payment Act of 1944 (58 Stat. 8; 38 U. S. C. 691-691g).

(87) The Servicemen's Readjustment Act of 1944 (38 U. S. C. 693 note, 693h-694n, 695-696f, 696g-697g).

(88) Section 4 of the act of September 27, 1944 (58 Stat. 753).

(89) The first section and section 3 of the act of September 30, 1944 (58 Stat. 764; 38 U. S. C. 819, 819 note).

(90) Section 3 of the act of September 20, 1915 (59 Stat. 535).

(91) The paragraph which begins "Hospital and domiciliary facilities:" under the center heading "Veterans' Administration" in the First Deficiency Appropriation Act, 1946 (59 Stat. 642).

(92) The paragraph which begins "Operation of canteens:" under the center heading "Veterans' Administration" in the Third Deficiency Appropriation Act, 1946 (60 Stat. 615).

(93) The proviso in the paragraph which begins "Operation of canteens:" in the Independent Offices Appropriation Act, 1948 (61 Stat. 606).

(94) Section 5 of the act of August 6, 1947 (61 Stat. 791; 38 U. S. C. ch. 12A, note to pt. VIII of VR 1 (a)).

(95) Section 2 of the act of May 18, 1948 (62 Stat. 237; 24 U. S. C. 134 note).

(96) The act of June 3, 1948 (ch. 380, 62 Stat. 292).

(97) Section 3 of the act of June 19, 1948 (62 Stat. 501).

(98) Section 2 of the act of June 23, 1950 (64 Stat. 254; 38 U. S. C. ch. 12A, note to pt. VIII of VR 1 (a)).

(99) The last proviso in the paragraph which begins "Administration" under the center heading "Veterans' Administration" in the Independent Offices Appropriation Act, 1951 (64 Stat. 718; 38 U. S. C. 696f-1).

(100) The act of December 28, 1950 (64 Stat. 1121; 38 U. S. C. 701a).

(101) The Veterans' Readjustment Assistance Act of 1952 (38 U. S. C. 901-975, 976-1016).

(102) The act of June 18, 1953 (ch. 127, 67 Stat. 64).

(103) The last proviso in the paragraph which begins "Readjustment benefits" under the center heading "Veterans' Administration" in the Second Independent Offices Appropriation Act, 1954 (67 Stat. 192; 38 U. S. C. ch. 12A, note to pt. VIII of VR 1 (a)).

(104) In the Independent Offices Appropriation Act, 1955, under the center heading "Veterans' Administration", the last proviso in the paragraph which begins "General operating expenses" (68 Stat. 290; 38 U. S. C. 975a); and the provisos in the paragraph which begins "Readjustment benefits" (38 U. S. C. 694o note).

(105) The act of July 15, 1954 (ch. 506, 68 Stat. 477).

(106) Section 2 of the act of August 21, 1954 (68 Stat. 758; 24 U. S. C. 134 note).

(107) The act of August 28, 1954 (ch. 1049, 68 Stat. 916).

(108) Subsection (b) of the first section of the act of June 16, 1955 (38 U. S. C. ch. 12A, note to VR 7 (a)).

(109) Sections 2 (b) and 4 (b) of the act of June 21, 1955 (69 Stat. 168; 38 U. S. C. 694i note).

(110) In the Independent Offices Appropriation Act, 1956, under the center heading "Veterans' Administration", the last proviso in the paragraph which begins "General operating expenses" (69 Stat. 209; 38 U. S. C. 975a); and the provisos in the paragraph which begins "Readjustment benefits" (38 U. S. C. 694o).

(111) Section 2 of the act of August 9, 1955 (ch. 640, 69 Stat. 559).

(112) The last proviso in the paragraph which begins "General operating expenses" under the center heading "Veterans' Administration" in the Independent Offices Appropriation Act, 1957 (70 Stat. 348; 38 U. S. C. 975a).

(113) The War Orphans' Educational Assistance Act of 1956 (38 U. S. C. 1031-1084).

(114) In the Servicemen's and Veterans' Survivor Benefits Act, paragraphs (1), (6) (B), (7), (8), (11), and (12) of section 102; title II (38 U. S. C. 1111-1119); section 405 (38 U. S. C. 1103); in section 501, subsections (a) (3) (B) (38 U. S. C. 823 note), (s) (2) (38 U. S. C. ch. 12A), and (u) (2) (38 U. S. C. ch. 12A, note to VR 2 (a)); and section 601 (38 U. S. C. 1102).

(115) In the act of August 27, 1957 (71 Stat. 424), the first section (38 U. S. C. 748 note; ch. 12A); section 2 (38 U. S. C. 473-480 note); and section 8 (38 U. S. C. 2315 note).

(116) The first section and section 2 of the act of September 7, 1957 (71 Stat. 632; 38 U. S. C. 503 note).

(117) The Veterans' Benefits Act of 1957 (except title XXII) (38 U. S. C. 2101-4008), except that the repeal of sections 235 and 1413 (b) and (c) of such act shall not take effect in such manner as to impair the operation of the deferred repeal of such sections as provided in section 21 of the Government Employees Training Act (72 Stat. 338).

(118) Paragraph (e) (2) of section 5 of the act of April 1, 1958 (72 Stat. 77; 38 U. S. C. 694 note).

(119) Section 2 of the act of June 18, 1958 (72 Stat. 200; 38 U. S. C. 911 note).

Mr. BYRD. Mr. President, this bill is a codification of all the laws which apply to the veterans.

The bill was unanimously passed by the House of Representatives, was unanimously approved by the Senate Finance Committee, and has the approval of all

the veterans' organizations. I know of no objection to the bill.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

Mr. HUMPHREY. Mr. President, I had intended to submit an amendment to the bill, but after discussion with the chairman of the committee, who was kind enough to cite to me the jurisdictional problem existing between the Senate Finance Committee and the Senate Committee on Labor and Public Welfare, I discussed the amendment with the chairman of the Subcommittee on Veterans' Legislation of the Committee on Labor and Public Welfare. Therefore, I am not submitting my amendment to this particular bill. The amendment applies to the rights of Air Force Reserve officers who, I believe, have certain rights under the GI bill of rights, although those rights have been denied them, in violation of a contract on the part of the Federal Government.

My amendment will be taken up next year by the Committee on Labor and Public Welfare. I have been given assurance by the Senator from South Carolina [Mr. THURMOND] that the committee will give priority attention to my amendment, and that action will follow the subcommittee hearings.

I desire to thank the Senator from Virginia for his helpfulness in connection with this matter, and for his willingness to give me the utmost of cooperation.

Mr. BYRD. I thank the Senator from Minnesota.

The PRESIDING OFFICER. The question now is on the engrossment of the amendment and third reading of the bill.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill (H. R. 9700) was read the third time, and passed.

CODIFICATION OF MILITARY LAW

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar 2144, House bill 8943.

The PRESIDING OFFICER. The bill will be read by title, for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 8943) to amend titles 10, 14, and 32, United States Code, to codify recent military law, and to improve the code.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 8943) to amend titles 10, 14, and 32, United States Code, to codify recent military law, and to improve the code, which had been reported from the Committee on the Judiciary with amendments.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. I yield to the Senator from North Carolina [Mr. ERVIN] to make an explanation of the bill.

The PRESIDING OFFICER. The Senator from North Carolina is recognized.

Mr. ERVIN. Mr. President, the purpose of the bill is simply to codify the laws relating to the Armed Services, the Coast Guard, and the National Guard which have been enacted subsequent to the codification of the laws relating to these subjects several years ago. The bill does not make any substantive changes in law. It merely brings forward the statutes enacted since that time relating to these subjects. It makes certain grammatical and technical changes. The bill makes no changes in the substantive law.

The object of the bill is to bring up to date, in connection with the codification made several years ago, all the laws relating to title 10, title 14, and title 32, so there can be a republication in official form of all of the statutes relating to these matters.

A number of inconsequential technical changes were made in committee. The bill, as amended, contains several hundred of these technical and clarifying amendments.

In order to save the expense of printing, I ask unanimous consent that the amendments not be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the committee amendments en bloc.

The committee amendments en bloc were agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill (H. R. 8943) was read the third time and passed.

AMENDMENT OF WATERSHED PROTECTION AND FLOOD PREVENTION ACT

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Order No. 1660, H. R. 5497.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H. R. 5497) to amend the Watershed Protection and Flood Prevention Act.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. COTTON. Mr. President, I have amendments at the desk, which I call up.

The PRESIDING OFFICER. The amendments offered by the Senator from New Hampshire will be stated.

The LEGISLATIVE CLERK. It is proposed, on page 1, line 6, after the word "for" to strike out "recreational and."

It is proposed, on page 1, lines 10 and 11, to strike out "recreational and."

Mr. COTTON. Mr. President, I ask that the two amendments be considered en bloc.

The PRESIDING OFFICER. Without objection, the amendments will be considered en bloc.

The question is on agreeing to the amendments of the Senator from New Hampshire.

Mr. PROXMIER. Mr. President, will the Senator from New Hampshire explain the amendments, briefly?

Mr. COTTON. I shall be very glad to do so. The bill provides that upon approval by the Secretary of Agriculture the Federal Government may participate in the expense of the development of fish and wildlife facilities and of recreational facilities in connection with watershed flood control dams.

Incidentally, on this bill there were no hearings in the Senate committee, and the Senate committee simply passed on the House committee report.

My amendments leave the words "fish and wildlife" in the bill, but strike out the word "recreational," for the following reasons. In the first place, the Department of Agriculture and the Bureau of the Budget are both opposed to the bill. The letter from the Department of Agriculture very wisely, I think, states that before we go into the field indiscriminately of Federal participation in the expenses of recreational development, we should await the report of a commission that is making a study of it and know what we are doing when we adopt a national policy of permitting or declaring the Federal Government to participate in the expense of developing recreational resources.

I am frank to say, Mr. President, that as a representative of the people of a State which depends in large measure on its income from recreational attractions, we naturally view with apprehension and with a great deal of scrutiny bills which inject the principle of having the Federal Government use our tax money to develop facilities in competition with us. But regardless of that point, the bill, which had no committee hearings, which was put through hastily, which establishes absolutely no criteria, and which simply gives carte blanche authority to the Secretary of Agriculture to commit the Federal Government to develop recreational facilities of any flood control or watershed dam, is poor legislation.

While I do not like the bill, I have offered amendments which would take out of the bill the reference to recreation facilities and leave the reference to fish and wildlife in the bill.

The PRESIDING OFFICER. The question is on agreeing to the amendments of the Senator from New Hampshire.

Mr. HUMPHREY. Mr. President—

Mr. COTTON. Mr. President, I have not yielded the floor. If the amendments are to be opposed, I want to ask for a quorum.

Mr. PROXMIRE. Mr. President, this bill, H. R. 5497, would amend the Watershed Protection and Flood Prevention Act to permit Federal grants for wildlife, fish, game, or recreational purposes in watershed projects. It is a good bill, and in my opinion it should be approved by the Senate.

This bill was passed by the House by unanimous consent. It was reported to the Senate on May 26, 1958, by the distinguished Senator from Mississippi [Mr. EASTLAND], with unanimous approval by the Committee on Agriculture and Forestry.

Under the present law, it is not possible to make Federal grants for wildlife, fish, game, or recreational purposes in watershed projects. In many projects, this unfortunate legal prohibition results in an inefficient utilization of the available resources, and incomplete realization of the total potential benefits to the public.

Often a relatively small additional expenditure for the excluded purposes would make it possible to enlarge the basic watershed project, so as to yield substantial additional benefits to the public. For example, providing for a somewhat larger pond than is required for the present allowable purposes, such as crop and timber management, livestock watering, erosion control, and flood prevention, might create very substantial additional benefits to the public for fishing, waterfowl, and recreational uses.

In this way, a relatively small additional expenditure would result in very substantial additional values to the public.

In the case of many desirable watershed projects, the present legal prohibition against allowing grants for wildlife and recreation purposes makes the project unfeasible. This is true, although the full potential benefits of the project, including all of its benefits, may far exceed the cost.

Mr. President, there is an intense pressure upon outdoor recreational resources in almost every section of the country. For one thing, our population has been and still is expanding at an explosive rate. For another thing, there is increasing interest in outdoor recreation among our people. As more and more of our population moves into the cities and suburbs, people must look to public outdoor resources for the contact with nature that they want. Our rising standard of living likewise provides more and more people with the opportunity to enjoy hunting and fishing and camping. The available facilities for swimming, boating, water sports, hunting, fishing, and camping, are becoming burdened with the rising demand for this kind of recreation.

This bill would make it possible to help provide for this growing public need at a very modest additional investment cost, by expanding watershed projects which are required primarily for soil and water conservation and agricultural projects, so as to furnish as much as possible in the way of wildlife and recreational benefits as well.

This bill, Mr. President, has strong and unified support from the conservation organizations. It is supported by the various State directors of conservation. It has been endorsed by the International Association of Fish, Game, and Conservation Commissioners.

I appreciate the position taken by the Senator from New Hampshire. He is trying to preserve the advantages for fish and wildlife. On the other hand, I feel the bill is immensely important from the standpoint of recreation. I would be particularly reluctant to see the bill amended, because it would have to go to conference. As I understand, if no amendment were accepted, it would not be necessary for the bill to go to conference. Is that the understanding of the Senator from New Hampshire, too?

Mr. COTTON. If the bill is passed without amendment, I do not suppose it will go to conference.

Mr. PROXMIRE. What I meant to ask the Senator was: Does he know of any other amendment to the bill?

Mr. COTTON. Not that I am aware of. This is the only amendment I shall offer, and I know of no other.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. COTTON. I am glad to yield, with the understanding that I shall not lose my right to the floor.

Mr. HUMPHREY. As the Senator knows, the bill which was reported by the Senate committee is exactly the same as the bill which came over from the other body.

Mr. COTTON. Yes. All the House would have to do is accept the amendment. It would not be necessary to have a conference.

Mr. HUMPHREY. I understand. It seems to me there is no administration objection to the bill.

Mr. COTTON. I beg the Senator's pardon. Both the Department of Agriculture and the Bureau of the Budget are opposed to the bill.

Mr. HUMPHREY. That is not the understanding of the Senator from Minnesota. If there is opposition, it surely came in late.

Mr. COTTON. I invite the Senator's attention to a statement of Mr. Don A. Williams, Administrator, accompanied by Carl B. Brown, Director, Planning Division, Soil Conservation Service, Department of Agriculture, which is in the report, in which he says very clearly, and I think with great force and logic, that before we open the door haphazardly to the participation of the Federal Government in both recreational and fish and wildlife development, we should await the report of the commission making a study of the matter, and lay down a national policy, with some criteria. We should not open up the dike in such a left-handed way.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. COTTON. I will yield in just a moment.

I have in my hand a letter addressed to the Hon. ALLEN J. ELLENDER, from the Department of Agriculture, signed by Philip S. Hughes, Assistant Director for Legislative Reference, in which this is set forth very clearly.

Mr. HUMPHREY. Who is Mr. Hughes? I am very well acquainted with the officials of the Department of Agriculture.

Mr. COTTON. I beg the Senator's pardon. This is signed by True D. Morse, Acting Secretary. I turned an extra page. I also have a letter from the executive office of the President, Bureau of the Budget, signed by Mr. Hughes.

Mr. HUMPHREY. What are the dates of those letters?

Mr. COTTON. The date of the letter from the Department of Agriculture is June 6, of this year. The date of the letter from the Bureau of the Budget is June 2, of this year.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. COTTON. I am happy to yield.

Mr. PROXMIRE. I think I can clear up part of the problem.

When hearings were held on this bill by the House Agriculture Committee, the bill was endorsed by the same Mr. Don A. Williams, Administrator of the Soil Conservation Service of the United States Department of Agriculture. The Department of Agriculture raised no objections to this bill until after it had been approved unanimously by the House of Representatives and by the Senate Committee on Agriculture and Forestry, and had been reported to the Senate.

However, adverse reports were submitted after the bill had been cleared by the Senate Agriculture and Forestry Committee, by the Department of Agriculture and the Bureau of the Budget. The primary argument followed in these extremely belated objections was that the proposed legislation should not be considered until the Outdoor Recreation Resources Review Commission, which was recently authorized by Congress, has completed its study and made its report.

Mr. President, the Commission's report is not due until 1961. In view of the unanimous agreement among all the interested and informed specialists in this field that the bill is needed and should be adopted immediately, delay for another 2 or 3 years certainly does not seem warranted. There can be no value in putting off action, and permitting 2 or 3 or more years' of watershed work to go on without this important feature, while we are waiting for a report which is certain eventually to uphold the need for it.

Mr. COTTON. Mr. President, I have a few facts I should like to bring to the attention of the Senate with regard to this matter.

Mr. HUMPHREY. Mr. President, before the Senator suggests the absence of a quorum, will the Senator yield?

Mr. COTTON. Certainly.

Mr. HUMPHREY. As the Senator knows, the language added in the House was ultimately confirmed by the Senate committee. The bill was reported May 26, 1958, and provides, as one of the additional conditions for Federal assistance for the installation of these watershed projects, that the Secretary shall take into consideration the recreational and fish and wildlife development, and that such items shall be included as factors in the consideration of cost sharing on the part of the Federal Government.

The Senator from New Hampshire lives in an area where the watershed programs are as important as they are in the area I am privileged to represent in part. Everyone knows the upstream water control fundamentally affects fish and wildlife preservation and surely has an impact upon recreational resources. That is true in my State, where watershed development affects lake levels and actually affects the entire recreational area of the State.

What is proposed to be taken into consideration is that when the watershed projects are instituted or undertaken, as the report says:

The Secretary shall require as a condition to providing Federal assistance for the installation of works of improvement that local organizations shall—

1. Acquire without cost to the Federal Government such land, easements, or rights-of-way as will be needed in connection with works of improvement installed with Federal assistance;

2. Assume (A) such proportionate share, as is determined by the Secretary to be equitable in consideration of the direct identifiable benefits, of the costs of installing any works of improvement, involving Federal assistance, which is applicable to the agricultural phases of the conservation, development, utilization, and disposal of water or for recreational and fish and wildlife development.

In fact, some of this procedure is followed now. Actually, where there is upstream development and water development, some of the procedure is followed. I know of a pilot project in Swift County, Minn., where the watershed project itself took into consideration certain recreational and fish and wildlife developments within its jurisdiction.

Mr. COTTON. Mr. President, I say to my good friend from Minnesota that what he says about the possibilities of watershed dams upstream affecting fish and wildlife on the entire river undoubtedly and unquestionably has merit.

Mr. HUMPHREY. Is the Senator asking to exclude only the word "recreational"?

Mr. COTTON. Yes. My amendments would not touch the fish and wildlife provisions.

Mr. HUMPHREY. The Senator would leave in the fish and wildlife provision?

Mr. COTTON. Certainly. That is the reason why I made reference only to recreation. For years now there has been an attempt to get a foot in the door. I do not want to stir up old controversies, but the people of my State have been paying taxes to help the Tennessee Valley Authority make beautiful artificial lakes. Then we have to turn around and pay taxes to help the local

chambers of commerce advertise those lakes as beautiful places to visit, when, I will say to every Member of the Senate, we want the people to come to the most beautiful State in the Union—

Mr. HUMPHREY. Minnesota.

Mr. COTTON. No; the State of New Hampshire.

Mr. HUMPHREY. Excuse me.

Mr. COTTON. Minnesota is a very beautiful State, too.

Mr. President, at this point in my remarks, I ask to have printed in the RECORD the two letters I have referred to, from the Department of Agriculture and the Bureau of the Budget.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
Washington, D. C., June 6, 1958.

HON. ALLEN J. ELLENDER,
Chairman, Committee on Agriculture
and Forestry, United States Senate

DEAR SENATOR ELLENDER: This is in reply to your request of February 21, 1958, for the views of this Department on H. R. 5497, a bill "To amend the Watershed Protection and Flood Prevention Act."

This Department does not favor the enactment of H. R. 5497 in its present form, and believes that it would be advisable to defer action at this time pending the outcome of additional studies relating to broad phases of recreational development policy which could appropriately be undertaken under other pending legislation. If, however, current action on the bill is to be taken, we would recommend that it be amended to provide that any Federal funds for installing recreational and fish and wildlife improvements on non-Federal lands in watershed protection and flood prevention projects, be made under authorities for recreational and fish and wildlife development rather than under the provisions of the Watershed Protection and Flood Prevention Act.

The bill would amend the present section 4 (2) (A) of the Watershed Protection and Flood Prevention Act, as amended, to make the recreational and fish and wildlife phases of the conservation, development, utilization, and disposal of water eligible for Federal cost-sharing as a part of watershed projects on the same basis as the agricultural phases of such projects if the Secretary finds that they produce other than direct identifiable benefits.

Recreation and fish and wildlife improvements may now be included as local interests wish at non-Federal expenses in watershed projects developed under the Watershed Protection and Flood Prevention Act. The inclusion of improvements for these purposes is encouraged. Most watershed projects now produce some recreational and fish and wildlife benefits incidental to their primary purposes. These benefits usually are local in nature.

This Department favors the multipurpose development of watersheds. It is in agreement with the general desirability of adequately and appropriately minimizing and mitigating damages to wildlife resources and of enhancing these and other recreational resources when consistent with well-balanced multiple-purpose water resource development.

The Watershed Protection and Flood Prevention Act now permits payment for recreational and fish and wildlife improvements on non-Federal land only at non-Federal expense. The amendment mentioned above—of having any Federal appropriation for installing recreational and fish and wildlife improvements in watershed protection and flood prevention projects made under authorities for recreational and fish and wildlife de-

velopment rather than under the provisions of the Watershed Protection and Flood Prevention Act—would assure that funds appropriated under that act would be used to accomplish the basic purposes of that act. For the most effective and best coordinated use of funds provided in accordance with the amendment, they should be made available to local organizations sponsoring the project under the Watershed Protection and Flood Prevention Act.

The Bureau of the Budget in a letter to the Department, dated June 2, 1958, advised the Department that the Bureau of the Budget recommends against enactment of H. R. 5497 for the reasons discussed in that letter, and requested that a copy of the letter accompany this report. A copy is enclosed.

Sincerely yours,

TRUE D. MORSE,
Acting Secretary.

EXECUTIVE OFFICE OF
THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D. C., June 2, 1958.

MY DEAR MR. SECRETARY: This will acknowledge Mr. Grant's letter of March 28, 1958, transmitting copies of the report which the Department of Agriculture proposes to present to the Chairman of the Senate Committee on Agriculture and Forestry with respect to H. R. 5497, a bill to amend the Watershed Protection and Flood Prevention Act.

The bill would amend the present provisions of Public Law 566, the Watershed Protection and Flood Prevention Act, to permit Federal cost sharing for recreational and fish and wildlife phases of the conservation, development, use, and disposal of water in watershed projects. The proposed report states that the Department of Agriculture favors multiple-purpose development of watersheds, including appropriate measures for the protection or enhancement of fish and wildlife and recreational resources, but suggests that appropriations for these purposes should be made under authorities for recreational and wildlife development rather than under the provisions of Public Law 566.

H. R. 5497 is one of a number of bills now pending before the Congress which seek to clarify and expand the role of the Federal Government in recreational and wildlife programs. These bills have been carefully reviewed by the agencies concerned and by the Bureau of the Budget, and recommendations concerning fish and wildlife have been presented to the Congress by the Secretary of the Interior in the form of a draft bill to amend the Wildlife Coordination Act and the Watershed Protection and Flood Prevention Act.

With respect to recreation, it has become apparent that additional study is needed concerning such matters as the evaluation of recreational benefits, the proper role of Federal, State, and local interests, and the distribution of responsibilities among the Federal agencies concerned with recreation programs. For this reason, the Department of the Interior, in its report to the Senate Committee on Interior and Insular Affairs, recommended enactment of S. 846, a bill to establish an Outdoor Recreation Resources Review Commission. This bill would provide a focal point for the conduct of the studies referred to above, and for the development of appropriate recommendations that could serve as a basis for comprehensive recreation legislation. Pending the outcome of these further studies, the Bureau of the Budget believes that enactment of H. R. 5497 or any of the related bills dealing with the Federal role in recreation would be premature.

While there would be no objection to the presentation to the Committee of such a report as you deem appropriate, the Bureau of the Budget recommends against enactment of H. R. 5497 for the reasons discussed

above. It is requested that a copy of this letter accompany your report to the Committee.

Sincerely yours,

PHILLIP S. HUGHES,
Assistant Director for Legislative Reference.
The Honorable the Secretary of Agriculture.
Attention: Mr. Carl R. Sapp.
105-A Administration Building.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. COTTON. I yield.

Mr. PROXMIRE. The Senator from New Hampshire obviously has a very strong argument. I am sure the Senator feels very deeply about the subject and has considerable support. The bill is so enormously important to conservation groups and fish and wildlife that, after a conference with my good friend from Minnesota [Mr. HUMPHREY], I think we are willing to accept the amendment.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. COTTON. I am glad to yield, but I will say I yield briefly because, if I am going to have my amendment agreed to, I want to do so quickly, before any Senator changes his mind.

Mr. AIKEN. I know the Senator from New Hampshire is very proud of his State, which is a beautiful State. I cannot concede that New Hampshire is the most beautiful State in the Union, but I will concede that it is next to the most beautiful State in the Union, with only a river between.

Mr. COTTON. Mr. President, I appreciate the courtesy of my friends in this matter. Having practiced law, I never make a speech if I can get what I want without it. I shall withhold the long speech I have, if the amendment can be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendments offered by the Senator from New Hampshire, en bloc.

The amendments were agreed to.

The PRESIDING OFFICER. If there be no further amendment to be proposed, the question is on the third reading of the bill.

The bill (H. R. 5497) was ordered to a third reading, read the third time, and passed.

Mr. JOHNSON of Texas. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. KNOWLAND. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from California to lay on the table the motion of the Senator from Texas to reconsider.

The motion to lay on the table was agreed to.

PROMOTION OF BOATING SAFETY ON NAVIGABLE WATERS

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar 2393, House bill 11078, a bill to promote boating safety.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (H. R. 11078) to promote boating safety on the navigable waters of the United States, to provide coordination and cooperation with the States in the interest of uniformity of boating laws, and for other purposes. The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. SMATHERS. Mr. President, I am happy to make a brief explanation of the bill on behalf of Senator MAGNUSON—the distinguished and able chairman of the Committee on Interstate and Foreign Commerce, who is presently attending a conference on the supplemental appropriations bill.

The bill passed the House. It has been approved by the Senate Committee on Interstate and Foreign Commerce, and is now before the Senate. The purpose of the bill is to enable the States to enact safety measures with respect to the use of recreational boats which operate on our lakes and up and down most of our rivers.

The reason the Federal Government must act is that these are navigable waters, and the Federal Government has jurisdiction over navigable waters. Yet the Federal Government does not wish to become a policeman over the myriad of small boats, most of which are pleasure boats. Therefore, it becomes necessary for us to pass this enabling legislation to insure boating safety.

I have only one objection to the bill at the moment. In that connection, I offer an amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Florida will be stated.

The CHIEF CLERK. On page 2, line 13, after the word "than" it is proposed to strike out "7½" and insert "10."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Florida [Mr. SMATHERS].

Mr. SMATHERS. The only purpose of the amendment is to raise the limitation from 7½ horsepower to 10 horsepower. The danger comes from small boats which have highpowered engines, rather than small engines. We do not wish to restrict or work a hardship upon the fishermen in various waters who make their livelihood in small boats. These individuals are expert boatmen and thoroughly familiar with the rules of the road.

I hope the Senate will approve the amendment and pass the bill.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. SMATHERS. I yield.

Mr. JAVITS. Can the Senator tell us whether associations of small boating enthusiasts are for or against the bill?

Mr. SMATHERS. The small boat manufacturers are for it, as are the engine manufacturers. Apparently everyone is for the bill except small fishermen groups, and I believe that we can take care of them by the amendment offered at this time. It is a reasonable amend-

ment and in no way affects the safety aspects of the legislation.

Mr. JAVITS. I do not believe the Senator quite understood my question. What is the attitude of the small boating associations, small yacht clubs, and those who operate boats for pleasure? How do they feel about it?

Mr. SMATHERS. They are very strongly in favor of the bill.

Mr. JAVITS. I thank the Senator.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. SMATHERS. I yield.

Mr. LAUSCHE. As a member of the committee, I listened to the testimony on the bill and to the arguments, negative and affirmative, which were made with respect to it. All the proof clearly showed that there was some need for the enactment of a law which would provide for the safety of users of boats on our navigable streams. From the standpoint of Ohio, I have had indications from practically every industry and recreational agency interested in this type of recreation and use of our waters. They give support to the bill. I therefore join the Senator from Florida in urging that the bill be passed.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. SMATHERS. I yield.

Mr. KNOWLAND. I wish to confirm what the Senator from Ohio has said. All the reports I have received from those interested in small boat development, small boat harbors, and recreational facilities, are in support of the proposed legislation.

Mr. SMATHERS. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Florida [Mr. SMATHERS].

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

Mr. JOHNSON of Texas. Mr. President, I move that the vote by which the bill was passed be reconsidered.

Mr. SMATHERS. Mr. President, I move to lay that motion on the table.

The motion to reconsider was laid on the table.

Mr. SMATHERS. Mr. President, in connection with the passage of the bill, I ask unanimous consent that there be printed in the RECORD telegrams and letters which I send to the desk.

There being no objection, the telegrams and letters were ordered to be printed in the RECORD, as follows:

THE COUNCIL OF STATE GOVERNMENTS,
Chicago, Ill., August 13, 1958.

To All Members of the United States Senate: The Council of State Governments is pleased that H. R. 11078, the bill relating to boating safety, has been reported by the Committee on Interstate and Foreign Commerce. For the reasons set forth below, it urges that congressional action on the bill be completed this year.

The council regards the cooperative Federal-State regulatory procedure proposed by the bill as an almost ideal way to protect States' rights, duties, and responsibilities in this important field. It views the procedure

utilized in drafting this legislation as one which should be considered for possible application in other areas where responsibilities on the two levels of government—Federal and State—coincide or overlap. In our opinion, this procedure almost assures that the rights and privileges of neither sovereign will be infringed.

In response to a request of the House Merchant Marine and Fisheries Committee a subcommittee of the Council's Committee on Suggested State Legislation was set up to cooperate in drafting generally uniform Federal and State legislation to regulate pleasure boating. The Subcommittee on Recreational Boating Safety, made up entirely of State officials, has as members or consultants one or more representatives of 10 States—California, Colorado, Florida, Michigan, New Hampshire, North Carolina, New York, Pennsylvania, Virginia, and West Virginia. Working with the staff of the House committee and the Coast Guard, and with the advice and counsel of representatives of the boating industry and public, the subcommittee developed H. R. 11078. The combined group is now working on a complementary model State bill to present to the States whose legislatures meet next year.

Enactment of H. R. 11078 this year will permit the legislatures of 45 States to consider the complementary State bill next year. If congressional enactment is delayed until 1959, the legislatures of 36 States will be unable to consider a model State bill before 1961. By that time, the pressures on State legislatures to enact boating safety legislation may be irresistible and, as many different regulatory schemes are enacted, the opportunity to adopt a cooperative Federal-State uniform approach will have been lost.

To our certain knowledge, many States are anxious to consider the State bill to implement this Federal-State program. These include, in addition to the States represented on our subcommittee, Arizona, Arkansas, Connecticut, Delaware, Louisiana, Massachusetts, Minnesota, Missouri, Montana, Nebraska, New Jersey, Tennessee, Washington, and Wisconsin, and Alaska and Hawaii. In at least some of these States, enactment or implementation of State legislation has been delayed pending the results of our work.

Sincerely yours,

CHARLES F. SCHWAN, Jr.,
Washington Representative.

SAN FRANCISCO, CALIF., August 15, 1958.

HON. GEORGE SMATHERS,
United States Senator From Florida,
Senate Office Building,
Washington, D. C.:

Charles Tom Henderson, Ernest Mitts and I urge your support of Bonner bill, H. R. 11078. We were very active in the drafting of this bill as members of the committee of the Council of State Governments which feels very acutely the need for this legislation in the Congress. Understand the objectionable features were amended out of the original House version and that most States feel the need for this permissive legislation to provide the States with some degree of control of boating safety. The vote in the House is indicative of the State support although we know that Bob Sikes opposed the bill for various reasons. I am here for national budget officers' meeting and cannot reach Tom Henderson because he is en route by auto to Los Angeles for another meeting or you would also hear from him direct. We feel that this bill is good and sound for Florida where boating safety is of tremendous importance. We urge your support in the passage of this bill. Kindest regards,

HARRY G. SMITH.

NATIONAL WILDLIFE FEDERATION,
Washington, D. C., August 13, 1958.

Senator GEORGE D. AIKEN, Senator GORDON ALLOTT, Senator CLINTON P. ANDERSON, Senator ALAN BIBLE, Senator JOHN MARSHALL BUTLER, Senator HARRY FLOOD BYRD, Senator FRANCIS CASE, Senator DENNIS CHAVEZ, Senator FRANK CHURCH, Senator EVERETT MCKINLEY DIRKSEN, Senator PAUL H. DOUGLAS, Senator ALBERT GORE, Senator CARL HAYDEN, Senator LISTER HILL, Senator ROMAN L. HRUSKA, Senator HUBERT H. HUMPHREY, Senator ESTES KEFAUVER, Senator THOMAS H. KUCHEL, Senator JOHN L. MCCLELLAN, Senator WARREN G. MAGNUSON, Senator WAYNE MORSE, Senator KARL E. MUNDT, Senator JAMES E. MURRAY, Senator RICHARD L. NEUBERGER, Senator WM. E. PROXMIER, Senator A. WILLIS ROBERTSON, Senator ANDREW F. SCHOEPFEL, Senator JOHN J. SPARKMAN, Senator STUART SYMINGTON, Senator HERMAN E. TALMADGE, Senator EDWARD J. THYE, Senator ARTHUR WATKINS, Senator ALEXANDER WILEY, Senator RALPH YARBOROUGH, and Senator MILTON R. YOUNG,
Washington, D. C.:

We would like to take this brief opportunity to advise you that the National Wildlife Federation, representing affiliates in 50 States and Territories and more than 2 million individual sportsmen-conservationists, has approved of H. R. 11078, the Federal Boating Act.

The Federation believes this measure, which already has passed the House and won favorable approval by the Senate Committee on Interstate and Foreign Commerce, will help stimulate needed State boating safety legislation of a uniform nature. We hope you can see fit to give favorable consideration to this measure when it is brought before the Senate.

Sincerely,

NATIONAL WILDLIFE FEDERATION,
LOUIS S. CLAPPER,
Assistant Conservation Director.

WASHINGTON, D. C., August 13, 1958.
HON. WARREN G. MAGNUSON,
Senate Office Building,
Washington, D. C.:

The Outboard Boating Club of America, the American Yachtmen's Association, the National Association of Marine Dealers and the National Association of Engine and Boat Manufacturers represent many thousands of boat owners, marine dealers and manufacturers of marine engines, boats, and equipment throughout the United States.

We have given our complete support to H. R. 11078, the Federal Boating Act of 1958, as have many other groups familiar to you, such as the United States Coast Guard Auxiliary, United States Power Squadrons, the Council of State Governments and the United States Coast Guard.

This bill is now awaiting final action by the Senate and is No. 2393 on the calendar.

The Council of State Governments which cooperated completely in the drafting of H. R. 11078, and can reasonably be expected to have watched for and guarded against any possible invasion of States rights by the Federal Government, is 100 percent in favor of this legislation and will give you their views by letter.

H. R. 11078 updates existing laws applicable to pleasure boating and provides for:

1. Numbering for identification purposes, all boats propelled by machinery of over 7½ horsepower.
2. A fee for so doing and the States to do the numbering job and keep the fees.
3. Civil penalty authority for the Coast Guard in addition to their existing criminal penalty authority.

4. Mandatory obligation to render assistance and reports in cases of serious boating accidents.

5. Concurrent jurisdiction on the navigable waters of the United States for both State and Federal enforcement of boating laws.

6. Specifically provides that no State jurisdiction is affected by the act.

H. R. 11078 is a completely nonpartisan boating safety measure which regulates, but does not restrict, pleasure boating in the United States.

We earnestly solicit your support for this bill to promote boating safety and urge that favorable action be taken before final adjournment.

Respectfully submitted,
OUTBOARD BOATING CLUB OF AMERICA,
CHICAGO.
AMERICAN YACHTMEN'S ASSOCIATION,
ANNAPOLIS.
NATIONAL ASSOCIATION OF MARINE DEALERS,
WASHINGTON.
NATIONAL ASSOCIATION OF ENGINE AND BOAT MANUFACTURERS,
NEW YORK.

MR. SMATHERS. Mr. President, our very able and respected chairman of the committee, Senator MAGNUSON, for the purpose of clarifying the intent of section 8 (c) of the bill prepared a statement of an explanatory nature, and I ask unanimous consent that it be inserted in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Question has been raised that section 8 (c) of the bill might be construed to limit the authority of the Coast Guard to board vessels to those required to be numbered by this act. Earlier stages of the bill did not provide for any exemption from the numbering requirement on the basis of the horsepower of motors, and boarding authority for all mechanically powered boats was contemplated. Since the act of April 25, 1940, and the applicable rules of the road, specifically mentioned in section 8 (c), likewise apply to all motorboats, whether numbered or not, obviously the proposed legislation does not intend to limit the boarding authority of the Coast Guard which it has under other laws, such as title 14 United States Code, section 89, nor is there any intent to curtail the separate authority of the Coast Guard to administer and enforce any other statutes not mentioned in section 8 (c).

MR. MAGNUSON subsequently said: Mr. President, the Senate a few minutes ago passed, with an amendment, H. R. 11078, which provides for safety on navigable waters of the United States.

I move that the Senate insist on its amendment, request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. MAGNUSON, Mr. BIBLE, Mr. YARBOROUGH, Mr. BRICKER, and Mr. POTTER conferees on the part of the Senate.

MISBRANDING AND FALSE ADVERTISING OF TEXTILE FIBER PRODUCTS

MR. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar 1689, House bill 469.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued August 21, 1958
For actions of August 20, 1958
85th-2d, No. 145

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HIGHLIGHTS: Supplemental appropriation bill returned to conference. Rep. Hill commended improvement in farm conditions. House received President's veto message on treated wheat seed import bill.

HOUSE

1. SUPPLEMENTAL APPROPRIATION BILL, 1959. Agreed to the conference report on this bill, H. R. 13450, and insisted upon its disagreement to two Senate amendments. pp. 17235-57

Agreed to a motion by Rep. Cannon to provide \$500,000 additional, instead of \$1,000,000 as proposed by the Senate, for the contingency fund to be used to meet a recent infestation of pink bollworm in the Southwest. p. 17242

Agreed to a motion by Rep. Cannon to provide \$50,000, instead of \$100,000 as proposed by the Senate, for operations of the Outdoor Recreation Resources Review Commission. p. 17247

Concurred in the Senate amendment authorizing the use of the equivalent of \$5,100,000 in foreign currencies accruing under Title I of Public Law 480 for the translation of publications and scientific cooperation. Of this amount, it is estimated this Department will receive allocations of \$375,000 for translation and \$3,900,000 for cooperative scientific research. p. 17241

The Senate later in the day agreed to the conference report on the bill, but insisted on its two amendments (relative to the National Aeronautics and Space Administration and Information Media Guaranty Fund items), requested a further conference with the House, and appointed conferees. pp. 17319-23

For other items of interest to this Department; see Digest 144.

2. APPROPRIATIONS. Both Houses agreed to the conference report on H. R. 12858, the public works appropriation bill for 1959. This bill will now be sent to the President. pp. 17323-35, 17231-35
3. TEXTILES. Conferees were appointed by both Houses on H. R. 469, to protect producers and consumers against misbranding and false advertising of the fiber content of textile fiber products, after the House disagreed with the Senate amendments. pp. 17282, 17369-70
4. MINERALS. House continued debate on S. 4036, to provide production payments to certain mineral producers to stabilize the price of certain minerals. pp. 17261-76
5. WHEAT. Received from the President a veto message on H. R. 11581, to remove imported wheat for seed which has been treated without poisonous substances from the "Unfit for human consumption" category of section 22 of the Agricultural Adjustment Act of 1933 as amended, and which would have increased import duties on such wheat. The President cited the lack of evidence that there was any harm resulting from present imports, and the bilateral trade agreement with Canada, in his message (H. Doc. 441). pp. 17276-7
6. WATER RESOURCES. Concurred in the Senate amendments to H. R. 5497, to authorize Federal assistance for certain fish and wildlife development projects under the Watershed Protection and Flood Prevention Act. This bill will now be sent to the President. p. 17277
7. CHEMICAL ADDITIVES. Passed with amendment H. R. 9521, to amend the Federal Food, Drug, and Cosmetic Act so as to revise the definition of the term "chemical additive" to provide that it shall not include any pesticide chemicals when used in or on any raw agricultural commodity which is produced from the soil. pp. 17285-86
8. FORESTRY. Passed with amendment H. R. 12281, to authorize the Secretary of the Interior to exchange lands to provide for an administrative site in the El Portal area of the Yosemite National Park, Calif., including the exchange of National Forest lands. pp. 17287-88
9. FARM PROGRAM. Rep. Hill discussed improvements in farm conditions, stating that "this has been a very significant year for American agriculture and I think it most appropriate as this Congress is about to conclude its business that we pause and consider some of the gains achieved for our farmers and ranchers," and inserted his statement, "Agricultural Accomplishments 1953-58." pp. 17300-01
10. VIRGIN ISLANDS. Concurred in the Senate amendments to H. R. 12303, to amend the Revised Organic Act of the Virgin Islands, including removal of the Virgin Islands from the Bureau of Customs jurisdiction on imports, including agricultural quarantines. This bill will now be sent to the President. p. 17281

which has not been invoked in this case. While, in some respects, seed wheat classifications may be anomalous, this seems a scant basis for taking an action which, I believe, would violate our international agreements, and be inimical to the trade policy of the United States, the interests of our farmers, and our relations with Canada.

The United States is constantly working to reduce the barriers to world trade. The latest manifestation of this effort is the recent and overwhelming endorsement by the Congress of a 4-year extension of the Trade Agreements Act. Tariff reduction without serious hardship to our domestic producers is an integral part of our trade policy. Approval of H. R. 11581 would be inconsistent with this policy and would not be understood by our trading partners, particularly Canada.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, August 20, 1958.

The SPEAKER. The objections of the President will be spread at large upon the Journal.

Mr. COOLEY. Mr. Speaker, I move that the bill and message be referred to the Committee on Agriculture and ordered to be printed.

The motion was agreed to.

The SPEAKER. The Chair is going to recognize Members now to send bills to conference and to concur in Senate amendments.

ADMISSIBILITY OF EVIDENCE, STATEMENTS AND CONFESSIONS

Mr. WALTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 11477) to amend chapter 223 of title 18, United States Code, to provide for the admission of certain evidence, and for other purposes, with a Senate amendment thereto, disagree to the amendment of the Senate and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. CELLER, WALTER, WILLIS, KEATING, and CRAMER.

EDUCATION OF MENTALLY RETARDED CHILDREN

Mr. McGOVERN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 13757) to encourage expansion of teaching in the education of mentally retarded children through grants to institutions of higher learning and to State educational agencies.

The Clerk read the title of the bill.

Mr. ARENDS. Mr. Speaker, I trust the gentleman from South Dakota will not press for consideration of the bill. This bill has been calendared for consideration under suspension of the rules. I ask the gentleman to withdraw his request.

Mr. McGOVERN. May I say to the gentleman from Illinois that this has been cleared with the Minority Leader, the gentleman from Massachusetts, Mr. MARTIN. I am wondering if the gentleman from Illinois is aware of that fact.

Mr. ARENDS. I may also say to the gentleman from South Dakota that I have information that a number of Members wish to discuss this matter and would object to its being called up for consideration now. I hope the gentleman will withdraw his request.

Mr. McGOVERN. Mr. Speaker, I withdraw my request.

WATERSHED PROTECTION AND FLOOD PREVENTION

Mr. SIKES. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 5497) to amend the Watershed Protection and Flood Prevention Act, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Line 6, strike out "recreational and."

Lines 10 and 11, strike out "recreational and."

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

IMPROVEMENTS TO CAPITOL POWER PLANT

Mr. JONES of Alabama. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 12883) to provide for certain improvements relating to the Capitol Power Plant and its distribution systems, with Senate amendments thereto and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, line 9, strike out "oil-burning."

Page 2, line 8, strike out "oil."

The SPEAKER. Is there objection to the request of the gentleman from Alabama [Mr. JONES]?

Mr. BALDWIN. Mr. Speaker, reserving the right to object, can the gentleman tell me if this has been cleared by the ranking minority member of the House Committee on Public Works?

Mr. JONES of Alabama. It has been cleared with the ranking member of the Public Works Committee and the leadership on that side of the aisle.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

ESTABLISHING A COMMISSION AND ADVISORY COMMITTEE ON INTERNATIONAL RULES OF JUDICIAL PROCEDURE

Mr. WALTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 4642) to establish a Commission and Advisory Committee on International Rules of Judicial Procedure, with Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 6, line 20, after "amounts" insert "not to exceed a total of \$75,000."

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. BALDWIN. Mr. Speaker, reserving the right to object, can the gentleman tell me if this has been cleared by the ranking minority member of the Committee on the Judiciary?

Mr. WALTER. Yes. The only amendment is a limitation on the expenses.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

AMENDING THE FEDERAL-AID HIGHWAY ACT OF 1958

Mr. FALLON. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 12808) to amend the Federal-Aid Highway Act of 1958 to extend for an additional 2 years the estimate of cost of completing the Interstate System, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Line 6, strike out "June 30, 1960, 1961, and 1962." and insert "June 30, 1960, and June 30, 1961."

After line 6 insert:

Sec. 2. That the sixth sentence of section 108 (d) of the Federal-Aid Highway Act of 1956 (70 Stat. 379) is amended to read as follows: "The Secretary of Commerce shall make a revised estimate of cost of completing the then designated Interstate System, after taking into account all previous apportionments made under this section, in the same manner as stated above, and transmit the same to the Senate and the House of Representatives within 10 days subsequent to January 2, 1961."

Amend the title to read as follows: "An act to amend the Federal-Aid Highway Acts of 1956 and 1958 by advancing the date for submission of the revised estimate of cost of completing the Interstate System and to extend the approval of such estimate for an additional year."

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

BOATING SAFETY ON THE NAVIGABLE WATERS OF THE UNITED STATES

Mr. BONNER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 11078) to promote boating safety on the navigable waters of the United States, its Territories, and the District of Columbia; to provide coordination and cooperation with the States in the interest of uniformity of boating laws; and for other purposes, with Senate amendment thereto and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 2, line 13, strike out "7½" and insert "10."

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Mr. ARENDS. Mr. Speaker, reserving the right to object, what change was made in this bill?

Mr. BONNER. This raises the power limit from 7½ horsepower to 10 horsepower. This has all been cleared with the gentleman from Washington [Mr. TOLLEFSON], with the gentleman from California [Mr. ALLEN], and with the leadership.

Mr. ARENDS. It was cleared with some of the Members on the gentleman's side of the aisle who were interested in this?

Mr. BONNER. Yes; the gentleman from Florida [Mr. SIKES].

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

AMENDING SECTION 27 OF MERCHANT MARINE ACT OF 1920

Mr. BONNER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 9833) to amend section 27 of the Merchant Marine Act of 1920, with Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

Page 3, line 6, after "carrier" insert "subject to part 3 of the Interstate Commerce Act, as amended."

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Mr. BALDWIN. Mr. Speaker, reserving the right to object, can the gentleman tell me if this has been cleared with the ranking minority members?

Mr. BONNER. It has been cleared with all sides.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. BONNER. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. ALLEN] may insert his remarks in the RECORD at the point where the conference report on the bill H. R. 11078 was taken up.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

BRIDGE ACROSS THE MISSOURI RIVER AT OR NEAR MIAMI, MO.

Mr. BLATNIK. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 3776) to extend the time for the collection of tolls to amortize the cost, including reasonable interest and financing cost, of the construction of a bridge across the Missouri River at or near Miami, Mo.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the first sentence of section 2 of the act of January 16, 1936 (49 Stat. 1093), as amended, is hereby amended by striking out "twenty years" and inserting in lieu thereof "thirty-five years."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CORDELL HULL DAM AND RESERVOIR

Mr. BLATNIK. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 12216) to designate the dam and reservoir to be constructed on the Cumberland River, near Carthage, Tenn., as the "Cordell Hull Dam and Reservoir," with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, after line 2, insert:

"TITLE I"

Page 1, line 3, preceding "That" insert "SECTION 101."

Page 2, after line 4, insert:

"TITLE II"

"SEC. 201. That the purpose of this title is—

"(a) to provide for an integrated and co-operative investigation, study, and survey by a commission created pursuant to this title and composed of representatives of certain departments and agencies of the United States, and of the State of Texas, in connection with, and in promotion of, the conservation, utilization, and development of the

land and water resources of the Neches, Trinity, Brazos, Colorado, Guadalupe-San Antonio, Nueces, and San Jacinto River Basins (and intervening areas) in the State of Texas in order to formulate a comprehensive and coordinated plan for—

"(1) flood control and prevention;

"(2) domestic and municipal water supplies;

"(3) the improvement and safeguarding of navigation;

"(4) the reclamation and irrigation of land, including drainage;

"(5) possibilities of hydroelectric power and industrial development and utilization;

"(6) soil conservation and utilization;

"(7) forest conservation and utilization;

"(8) preservation, protection, and enhancement of fish and wildlife resources;

"(9) the development of recreation;

"(10) salinity and sediment control;

"(11) pollution abatement and the protection of public health; and

"(12) such other beneficial and useful purposes not herein enumerated; and

"(b) to formulate, within the time provided for in section 209 of this title, a basic, comprehensive, and integrated plan of development of the land water resources within the area described in this section for submission to, and consideration by, the President and the Congress, and to make recommendations, after adequate study, for executing and keeping current such plan. It is not the purpose of this title to create any continuing or permanent instrumentality of the Federal Government or to take from, or reassign, the duties and powers of any department or agency of the United States represented on the Commission, except as herein provided in this title.

"SEC. 202. In carrying out the purposes of this title it shall be the policy of Congress to—

"(1) recognize and protect the rights and interests of the State of Texas in determining the development of the watersheds of the rivers herein mentioned and its interests and rights in water utilization and control, as well as the preservation and protection of established uses;

"(2) protect existing and authorized projects and projects under construction whether public or private;

"(3) utilize the services, studies, surveys, and continuing investigational programs of the departments, bureaus, and agencies of the United States;

"(4) recognize an important body of existing Federal law affecting the public lands, irrigation, reclamation, flood control, grazing, geological survey, national parks, mines, and minerals; and

"(5) to recognize the primary responsibilities of the State of Texas and local interests in such State in developing water supplies for domestic, municipal, industrial, and other purposes and that the Federal Government should participate and cooperate with such State and local interests in developing such water supplies in connection with the construction, maintenance, and operation of Federal navigation, flood control, irrigation, or multiple purpose projects.

"SEC. 203. (a) In order to carry out the purposes of this title, there is hereby established a commission to be known as the United States Study Commission on the Neches, Trinity, Brazos, Colorado, Guadalupe-San Antonio, Nueces, and San Jacinto River Basins and intervening areas (hereinafter referred to as the 'Commission').

"(b) The Commission shall be composed of fourteen members appointed by the President as follows:

"(1) One member, who shall serve as Chairman, and who shall be a resident from the area comprising the Neches, Trinity, Brazos, Colorado, Guadalupe-San Antonio,

Public Law 85-865
85th Congress, H. R. 5497
September 2, 1958

AN ACT

72 Stat 1605.

To amend the Watershed Protection and Flood Prevention Act.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4 (2) (A) of the Watershed Protection and Flood Prevention Act (Public Law 1018, Eighty-fourth Congress) be amended by inserting immediately after "and disposal of water", the following: "or for fish and wildlife development." 70 Stat. 1088.
16 USC 1004.

SEC. 2. The Secretary of Agriculture shall not furnish or agree to furnish financial assistance to local organizations for the institution of works of improvement for fish and wildlife development pursuant to the authority of this Act prior to July 1, 1958.

Approved September 2, 1958.

LEGISLATIVE HISTORY

of

PUBLIC LAW 85-865
85th Congress, H. R. 5497
September 2, 1958

AMENDING THE
WATERSHED PROTECTION AND FLOOD PREVENTION ACT

UNITED STATES DEPARTMENT OF AGRICULTURE
OFFICE OF THE GENERAL COUNSEL
MAY 1959

LEGISLATIVE HISTORY OF PUBLIC LAW 85-865 (H.R. 5497)
Approved September 2, 1958

PREFACE

This legislative history of Public Law 85-865, amending the Watershed Protection and Flood Prevention Act, consists of quotations from certain of the legislative documents and materials hereinafter listed.

The starting point for this legislative history is February 28, 1957, which is the date on which the bill H. R. 5497 was introduced by Representative Sikes and was referred to the Committee on Agriculture. The following is a list of the legislative documents and materials which were referred to in the compilation of this legislative history:

1. Public Law 85-865, 85th Congress, H. R. 5497, September 2, 1958.
2. Hearings
 - a. Before the Subcommittee on Conservation and Credit of the Committee on Agriculture, House of Representatives, 85th Congress, First Session, dated March 5, 1957, on various bills, including H. R. 5497.
 - b. Before the Committee on Agriculture, House of Representatives, 85th Congress, First Session, dated May 13, 1957, on various bills, including H. R. 5497.
3. Bills

H. R. 5497 - Mr. Sikes, February 28, 1957.
4. Committee Reports
 - a. House of Representatives Report No. 990, 85th Congress, First Session.
 - b. Senate Report No. 1630, 85th Congress, Second Session.
5. Debate - Recreational Aspects of Watershed Projects, August 19, 1957, p. 13888; August 28, 1957, p. 14781; February 3, 1958, p. 1342; February 17, 1958, p. 1943.

6. The material contained in the Congressional Record under the headings shown in the following chronology (Congressional Record Index for August 25 to September 12, 1958) of the legislative history of the Act:

H. R. 5497 -- To amend the Watershed Protection and Flood Prevention Act.

Passed over, 1342.

Amended and passed House, 1943.

Referred to Senate Committee on Agriculture and Forestry, 2010.

Reported (S. Rept. 1630), 8419.

Passed over, 10765, 16174, 16628.

Amended and passed Senate, 16716.

House concurs in Senate amendment, 17277.

Examined and signed, 17438, 17499.

Presented to the President, 17715.

Approved [Public Law 8657, A8192.

PUBLIC LAW 85-865 - 85th Congress

H. R. 5497, September 2, 1958

AN ACT

To amend the Watershed Protection and Flood Prevention Act

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4 (2) (A) of the Watershed Protection and Flood Prevention Act (Public Law 1018, Eighty-fourth Congress) be amended by inserting immediately after "and disposal of water", the following: "or for fish and wildlife development."

SEC. 2. The Secretary of Agriculture shall not furnish or agree to furnish financial assistance to local organizations for the institution of works of improvement for fish and wildlife development pursuant to the authority of this Act prior to July 1, 1958.

Approved September 2, 1958.

WATERSHED PROTECTION AND FLOOD PREVENTION ACT

(P.L. 566, 83d Congress; 68 Stat. 666)

As amended by the Act of August 7, 1956

(P.L. 1018, 84th Congress; 70 Stat. 1088)

As amended by the Act of August 12, 1958

(P.L. 85-624, 85th Congress; 72 Stat. 567)

As amended by the Act of September 2, 1958

(P.L. 85-865, 85th Congress; 72 Stat. 1605)

AN ACT

To authorize the Secretary of Agriculture to cooperate with States and local agencies in the planning and carrying out of works of improvement for soil conservation, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That erosion, floodwater, and sediment damages in the watersheds of the rivers and streams of the United States, causing loss of life and damage to property, constitute a menace to the national welfare; and that it is the sense of Congress that the Federal Government should cooperate with States and their political subdivisions, soil or water conservation districts, flood prevention or control districts, and other local public agencies for the purpose of preventing such damages and of furthering the conservation, development, utilization, and disposal of water and thereby of preserving and protecting the Nation's land and water resources.

SEC. 2. For the purposes of this Act, the following terms shall mean:

The "Secretary" -- The Secretary of Agriculture of the United States.

"Works of improvement" -- any undertaking for --

(1) flood prevention (including structural and land-treatment measures) or

(2) the conservation, development, utilization, and disposal of water in watershed or subwatershed areas not exceeding two hundred and fifty thousand acres and not including any single structure which provides more than five thousand acre-feet of floodwater detention capacity, and more than twenty-five thousand acre-feet of total capacity. No appropriation shall be made for any plan involving an estimated Federal contribution to construction costs in excess of \$250,000, or which includes any structure which provides more than twenty-five hundred acre-feet of total capacity unless such plan has been approved by resolutions adopted by the appropriate committees of the Senate and House of Representatives: Provided, That in the case of any plan involving no single structure providing more than 4,000 acre-feet of total capacity the appropriate committees shall be the Committee on Agriculture and Forestry of the Senate and the Committee on Agriculture of the House of Representatives and in the case of any plan involving any single structure of more than 4,000 acre-feet of total capacity the appropriate committees shall be the Committee on Public Works of the Senate and the Committee on Public Works of the House of Representatives, respectively. A number of such subwatersheds when they are component parts of a larger watershed may be planned together when the local sponsoring organizations so desire.

"Local organization" -- any State, political subdivision thereof, soil or water conservation district, flood prevention or control district, or

combinations thereof, or any other agency having authority under State law to carry out, maintain and operate the works of improvement.

SEC. 3. In order to assist local organizations in preparing and carrying out plans for works of improvement, the Secretary is authorized, upon application of local organizations if such application has been submitted to, and not disapproved within 45 days by, the State agency having supervisory responsibility over programs provided for in this Act, or by the Governor if there is no State agency having such responsibility --

(1) to conduct such investigations and surveys as may be necessary to prepare plans for works of improvement;

(2) to prepare plans and estimates required for adequate engineering evaluation;

(3) to make allocations of costs to the various purposes to show the basis of such allocations and to determine whether benefits exceed costs;

(4) to cooperate and enter into agreements with and to furnish financial and other assistance to local organizations: Provided, That, for the land-treatment measures, the Federal assistance shall not exceed the rate of assistance for similar practices under existing national programs;

(5) to obtain the cooperation and assistance of other Federal agencies in carrying out the purposes of this section.

SEC. 4. The Secretary shall require as a condition to providing Federal assistance for the installation of works of improvement that local organizations shall --

(1) acquire without cost to the Federal Government such land, easements, or rights-of-way as will be needed in connection with works of improvement installed with Federal assistance;

(2) assume (A) such proportionate share, as is determined by the Secretary to be equitable in consideration of the direct identifiable benefits, of the costs of installing any works of improvement, involving Federal assistance, which is applicable to the agricultural phases of the conservation, development, utilization, and disposal of water or for fish and wildlife development, and (B) all of the cost of installing any portion of such works applicable to other purposes except that any part of the construction cost (including engineering costs) applicable to flood prevention and features relating thereto shall be borne by the Federal Government and paid for by the Secretary out of funds appropriated for the purposes of this Act;

(3) make arrangements satisfactory to the Secretary for defraying costs of operating and maintaining such works of improvement, in accordance with regulations presented by the Secretary of Agriculture;

(4) acquire, or provide assurance that landowners or water users have acquired, such water rights, pursuant to State law, as may be needed in the installation and operation of the work of improvement;

(5) obtain agreements to carry out recommended soil conservation measures and **proper** farm plans from owners of not less than 50 per centum of the lands situated in the drainage area above each retention reservoir to be installed with Federal assistance; and

(6) submit a plan of repayment satisfactory to the Secretary for any loan or advancement made under the provisions of section 8.

SEC. 5. At such time as the Secretary and the interested local organization have agreed on a plan for works of improvement, and the Secretary has determined that the benefits exceed the costs, and the local organization has met the requirements for participation in carrying out the works of improvement as set forth in section 4, the local organization with such assistance as it may request from the Secretary, which assistance the Secretary is hereby authorized to give, shall secure engineering and other services, including the design, preparation of contracts and specifications, awarding of contracts, and supervision of construction, in connection with such works of improvement, and in order to properly carry out such services in such projects as to such structures therein providing for municipal or industrial water supplies, the local organization shall, and in such projects not providing for municipal or industrial water supplies, the local organization may, retain or employ a professional engineer or engineers satisfactory to the Secretary, and the Secretary shall reimburse the local organization for the cost it may incur for the services of such engineer or engineers as is properly chargeable to such works of improvement, except that if the local organization decides not to retain or employ a professional engineer or if the Secretary determines that competent engineering services are not available he may contract for a competent engineer to provide such services or arrange for employees of the Federal Government to provide such services: Provided, That at the request of the local organization which retains or employs a professional engineer or engineers as aforesaid, the Secretary may advance such amounts as may be necessary to pay for such services, but such advances with respect to any works of improvement shall not exceed 5 per centum of the estimated total cost of such works: Provided further, That, except as to the installation of works of improvement on Federal lands, the Secretary shall not construct or enter into any contract for the construction of any structure unless there is no local organization authorized by State law to undertake such construction or to enter into such contract, and in no event after July 1, 1956: Provided, That in participating in the installation of such works of improvement the Secretary, as far as practicable and consistent with his responsibilities for administering the overall national agricultural program, shall utilize the authority conferred upon him by the provisions of this Act: Provided further, That whenever the estimated Federal contribution to the construction cost of works of improvement in any watershed or subwatershed area shall exceed \$250,000 or the works of improvement include any structure having a total capacity in excess of twenty-five hundred acre-feet, the Secretary shall transmit a copy of the plan and the justification therefor to the Congress through the President: Provided further, That any such plan involving an estimated Federal contribution to construction costs in excess of \$250,000 or containing any structure having a total capacity in excess of twenty-five hundred acre-feet (a) which includes reclamation or irrigation works or which affects public or other lands or wildlife under the jurisdiction of the Secretary of the Interior, or (b) which includes Federal assistance for floodwater detention structures, shall be submitted to the Secretary of the Interior or the Secretary of the Army, respectively, for his views and recommendations at least thirty days prior to transmission of the plan to the Congress through the President. The views and recommendations of the Secretary of the Interior, and the Secretary of

the Army, if received by the Secretary of Agriculture prior to the expiration of the above thirty-day period, shall accompany the plan transmitted by the Secretary of Agriculture to the Congress through the President: Provided further, That, prior to any Federal participation in the works of improvement under this Act, the President shall issue such rules and regulations as he deems necessary or desirable to carry out the purposes of this Act, and to assure the coordination of the work authorized under this Act and related work of other agencies including the Department of the Interior and the Department of the Army.

SEC. 6. The Secretary is authorized in cooperation with other Federal and with States and local agencies to make investigations and surveys of the watersheds of rivers and other waterways as a basis for the development of coordinated programs. In areas where the programs of the Secretary of Agriculture may affect public or other lands under the jurisdiction of the Secretary of the Interior, the Secretary of the Interior is authorized to cooperate with the Secretary of Agriculture in the planning and development of works or programs for such lands.

SEC. 7. The provisions of the Act of June 22, 1936 (49 Stat. 1570), as amended and supplemented, conferring authority upon the Department of Agriculture under the direction of the Secretary of Agriculture to make preliminary examinations and surveys and to prosecute works of improvement for runoff and waterflow retardation and soil erosion prevention on the watersheds of rivers and other waterways are hereby repealed: Provided, That (a) the authority of that Department of Agriculture, under the direction of the Secretary, to prosecute the works of improvement for runoff and waterflow retardation and soil erosion prevention authorized to be carried out by the Department by the Act of December 22, 1944 (58 Stat. 887), as amended, and (b) the authority of the Secretary of Agriculture to undertake emergency measures for runoff retardation and soil erosion prevention authorized to be carried out by section 7 of the Act of June 28, 1938 (52 Stat. 1215), as amended by section 216 of the Act of May 17, 1950 (64 Stat. 163), shall not be affected by the provisions of this section.

SEC. 8. The Secretary is authorized to make loans or advancements to local organizations to finance the local share of costs of carrying out works of improvement provided for in this Act. Such loans or advancements shall be made under contracts or agreements which will provide, under such terms and conditions as the Secretary deems appropriate, for the repayment thereof in not more than fifty years from the date when the principal benefits of the works of improvement first become available, with interest at the average rate, as determined by the Secretary of the Treasury, payable by the Treasury upon its marketable public obligations outstanding at the beginning of the fiscal year in which the loan or advancement is made, which are neither due nor callable for redemption for fifteen years from date of issue. With respect to any single plan for works of improvement, the amount of any such loan or advancement shall not exceed five million dollars.

SEC. 9. The provisions of this Act shall be applicable to Hawaii, Alaska, Puerto Rico, and the Virgin Islands.

SEC. 10. There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act, such sums to remain available until expended.

SEC. 11. This Act may be cited as the "Watershed Protection and Flood Prevention Act."

SEC. 12. When the Secretary approves the furnishing of assistance to a local organization in preparing a plan for works of improvement as provided for in section 3:

(1) The Secretary shall so notify the Secretary of the Interior in order that the latter, as he desires, may make surveys and investigations and prepare a report with recommendations concerning the conservation and development of wildlife resources and participate, under arrangements satisfactory to the Secretary of Agriculture, in the preparation of a plan for works of improvement that is acceptable to the local organization and the Secretary of Agriculture.

(2) Full consideration shall be given to the recommendations contained in any such report of the Secretary of the Interior as he may submit to the Secretary of Agriculture prior to the time the local organization and the Secretary of Agriculture have agreed on a plan for works of improvement. The plan shall include such of the technically and economically feasible works of improvement for wildlife purposes recommended in the report by the Secretary of the Interior as are acceptable to, and agreed to by, the local organization and the Secretary of Agriculture, and such report of the Secretary of the Interior shall, if requested by the Secretary of the Interior, accompany the plan for works of improvement when it is submitted to the Secretary of Agriculture for approval or transmitted to the Congress through the President.

(3) The cost of making surveys and investigations and of preparing reports concerning the conservation and development of wildlife resources shall be borne by the Secretary of the Interior out of funds appropriated to his Department.

SUMMARY

The Watershed Protection and Flood Prevention Act, Public Law 566, 83d Congress, was enacted into law on August 4, 1954. It was amended by Public Law 1018, 84th Congress, approved August 7, 1956, and by Public Law 85-624, 85th Congress, approved August 12, 1958. Congressman Sikes introduced H. R. 5497 as an amendment to the Watershed Protection and Flood Prevention Act on February 28, 1957.

The original purpose of H. R. 5497 was to permit the inclusion of facilities for recreational and fish and wildlife development in projects undertaken pursuant to the Watershed Protection and Flood Prevention Act in order that the Secretary of Agriculture would be authorized to bear part of the cost of such facilities if there were significant benefits of national or regional character accruing from such facilities.

The bill, containing provisions for recreational and fish and wildlife development, passed the House and was reported out in the same form by the Senate Committee on Agriculture and Forestry. It was passed by the Senate after being amended on the Senate floor to exclude recreational development. The House concurred in the Senate amendment and the bill was approved by the President on September 2, 1958.

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ECONOMIC DEVELOPMENT OF THE NATION
By Representative Sikes
Congressional Record, House, February 28, 1957, p. 2488

(Mr. SIKES asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. SIKES. Mr. Speaker, I am introducing a bill which, I feel, has great merit in furthering the economic development of our country. This legislation is designed to benefit communities who are not blessed with great agricultural or waterway projects that have added materially to the growth and development of those communities that do possess them.

I am offering an amendment to the Watershed and Flood Protection Act which will enable the Federal Government to participate in financing projects of recreational nature when such projects provide a major portion of income in the immediate vicinity of the project.

In my district, as I am sure is the case in other districts, there are communities whose economic conditions are directly or indirectly based on recreational activities and allied businesses. These communities should not be discriminated against for their lack of other sources of income. On the contrary, they should be given the same privilege of financial participation in the watershed program as other communities with economic factors whose development is assisted by Federal financing.

In connection with this, I would like to quote from the Presidential Advisory Committee Report on Water Resources Policy dated December 22, 1955. On page 31, the report reads:

The Committee has considered many cost-sharing proposals and has weighed carefully the elements of fairness to all concerned and precedents for sharing the cost of other programs. Further, it gave due recognition to the types of benefits accruing to individuals, groups of individuals, local and State governments, and the Nation as a whole. It was unable to discover for all cases a completely equitable yet practicable procedure for cost sharing based solely on the principle of sharing costs in proportion to benefits.

The Committee recommends, as a general policy, that all interests participate in the cost of projects in accordance with the measure of their benefits, and that the Federal Government assume the cost of that part of projects where the benefits are widely dispersed and represent substantial contributions to the general economic growth of the country or region, or to the national defense.

On page 32, the policy report states:

The Committee believes that the enhancement or improvement of basic recreation facilities (provision for access, public health, safety and protection) and fish and wildlife resources of less than national significance should be treated in accordance with the general cost-sharing procedure proposed herein. Those of national significance should be financed entirely by the Federal Government. Lands to be acquired for purposes of enhancement of recreation or fish and wildlife resources

should be shown separately in reports of project plans, and the acquisition of such lands should be authorized by the Congress for each individual project.

So, you see, gentlemen, the amendment that I am offering conforms with the President's recommendations.

The amendment which I offer will have important bearing and be of great benefit throughout the Nation. My interest in it was activated by a situation which has arisen in my own district. The Dead Lakes area has long been famous for fresh water sport fishing. In recent years, low water table has virtually destroyed that once great industry which provided the chief source of income for the residents of the area. An additional detriment to a constant water level has been provided by the construction of the Jim Woodruff Dam on the Apalachicola River. The level of the river has considerable influence on the level of the water in the Dead Lakes and floodwaters which are impounded above the dam are not available to help restore the needed water level in the Dead Lakes. As an illustration of this, the average gauge reading prior to the construction of the dam was 5.9 feet. Since the dam was built, the gauge has fallen to an average of 3.1 feet. A watershed project which would provide the Tumbler Dam for Dead Lakes would be a comparatively inexpensive item because of the narrow mouth of the lakes. Yet, this project cannot participate because the present law does not permit contributions by the Federal Government for projects based principally on recreation. Obviously, recreation in this area and in many similar areas in the Nation is just as important a source of livelihood as would be agriculture in other areas. I trust that this amendment will be approved so that recreation when it provides a major source of income for the surrounding areas, can be placed on the same basis as those activities now authorized for Federal financial participation in watershed projects.

DEBATE AND AMENDMENT
Congressional Record, Senate, August 18, 1958, p. 16716

AMENDMENT OF WATERSHED PROTECTION AND FLOOD PREVENTION ACT

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Order No. 1660, H. R. 5497.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H. R. 5497) to amend the Watershed Protection and Flood Prevention Act.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. COTTON. Mr. President, I have amendments at the desk, which I call up.

The PRESIDING OFFICER. The amendments offered by the Senator from New Hampshire will be stated.

The LEGISLATIVE CLERK. It is proposed, on page 1, line 6, after the word "for" to strike out "recreational and."

It is proposed, on page 1, lines 10 and 11, to strike out "recreational and."

Mr. COTTON. Mr. President, I ask that the two amendments be considered en bloc.

The PRESIDING OFFICER. Without objection, the amendments will be considered en bloc.

The question is on agreeing to the amendments of the Senator from New Hampshire.

Mr. PROXMIRE. Mr. President, will the Senator from New Hampshire explain the amendments, briefly?

Mr. COTTON. I shall be very glad to do so. The bill provides that upon approval by the Secretary of Agriculture the Federal Government may participate in the expense of the development of fish and wildlife facilities and of recreational facilities in connection with watershed flood control dams.

Incidentally, on this bill there were no hearings in the Senate Committee, and the Senate committee simply passed on the House committee report.

My amendments leave the words "fish and wildlife" in the bill, but strike out the word "recreational," for the following reasons. In the first place, the Department of Agriculture and the Bureau of the Budget are both opposed to the bill. The letter from the Department of Agriculture very wisely, I think, states that before we go into the field indiscriminately of Federal participation in the expenses of recreational development, we should await the report of a commission that is making a study of it and know what we are doing when we adopt a national policy of permitting or declaring the Federal Government to participate in the expense of developing recreational resources.

I am frank to say, Mr. President, that as a representative of the people of a State which depends in large measure on its income from recreational attractions, we naturally view with apprehension and with

a great deal of scrutiny bills which inject the principle of having the Federal Government use our tax money to develop facilities in competition with us. But regardless of that point, the bill, which had no committee hearings, which was put through hastily, which establishes absolutely no criteria, and which simply gives carte blanche authority to the Secretary of Agriculture to commit the Federal Government to develop recreational facilities of any flood control or watershed dam, is poor legislation.

While I do not like the bill, I have offered amendments which would take out of the bill the reference to recreation facilities and leave the reference to fish and wildlife in the bill.

The PRESIDING OFFICER. The question is on agreeing to the amendments of the Senator from New Hampshire.

Mr. HUMPHREY. Mr. President --

Mr. COTTON. Mr. President, I have not yielded the floor. If the amendments are to be opposed, I want to ask for a quorum.

Mr. PROXMIRE. Mr. President, this bill, H. R. 5497, would amend the Watershed Protection and Flood Prevention Act to permit Federal grants for wildlife, fish, game, or recreational purposes in watershed projects. It is a good bill, and in my opinion it should be approved by the Senate.

This bill was passed by the House by unanimous consent. It was reported to the Senate on May 26, 1958, by the distinguished Senator from Mississippi [Mr. EASTLAND], with unanimous approval by the Committee on Agriculture and Forestry.

Under the present law, it is not possible to make Federal grants for wildlife, fish, game, or recreational purposes in watershed projects. In many projects, this unfortunate legal prohibition results in an inefficient utilization of the available resources, and incomplete realization of the total potential benefits to the public.

Often a relatively small additional expenditure for the excluded purposes would make it possible to enlarge the basic watershed project, so as to yield substantial additional benefits to the public. For example, providing for a somewhat larger pond than is required for the present allowable purposes, such as crop and timber management, livestock watering, erosion control, and flood prevention, might create very substantial additional benefits to the public for fishing, waterfowl, and recreational uses.

In this way, a relatively small additional expenditure would result in very substantial additional values to the public.

In the case of many desirable watershed projects, the present legal prohibition against allowing grants for wildlife and recreation purposes makes the project unfeasible. This is true, although the full potential benefits of the project, including all of its benefits, may far exceed the cost.

Mr. President, there is an intense pressure upon outdoor recreational resources in almost every section of the country. For one thing, our population has been and still is expanding at an explosive rate. For another thing, there is increasing interest in outdoor recreation among our people. As more and more of our population moves into the cities and suburbs, people must look to public outdoor resources for the contact with nature that they want. Our rising standard of living likewise provides more and more people with the opportunity to enjoy hunting and

fishing and camping. The available facilities for swimming, boating, water sports, hunting, fishing, and camping, are becoming burdened with the rising demand for this kind of recreation.

The bill would make it possible to help provide for this growing public need at a very modest additional investment cost, by expanding watershed projects which are required primarily for soil and water conservation and agricultural projects, so as to furnish as much as possible in the way of wildlife and recreational benefits as well.

This bill, Mr. President, has strong and unified support from the conservation organizations. It is supported by the various State directors of conservation. It has been endorsed by the International Association of Fish, Game, and Conservation Commissioners.

I appreciate the position taken by the Senator from New Hampshire. He is trying to preserve the advantages for fish and wildlife. On the other hand, I feel the bill is immensely important from the standpoint of recreation. I would be particularly reluctant to see the bill amended, because it would have to go to conference. As I understand, if no amendment were accepted, it would not be necessary for the bill to go to conference. Is that the understanding of the Senator from New Hampshire, too?

Mr. COTTON. If the bill is passed without amendment, I do not suppose it will go to conference.

Mr. PROXMIRE. What I meant to ask the Senator was: Does he know of any other amendment to the bill?

Mr. COTTON. Not that I am aware of. This is the only amendment I shall offer, and I know of no other.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. COTTON. I am glad to yield, with the understanding that I shall not lose my right to the floor.

Mr. HUMPHREY. As the Senator knows, the bill which was reported by the Senate committee is exactly the same as the bill which came over from the other body.

Mr. COTTON. Yes. All the House would have to do is accept the amendment. It would not be necessary to have a conference.

Mr. HUMPHREY. I understand. It seems to me there is no administration objection to the bill.

Mr. COTTON. I beg the Senator's pardon. Both the Department of Agriculture and the Bureau of the Budget are opposed to the bill.

Mr. HUMPHREY. That is not the understanding of the Senator from Minnesota. If there is opposition, it surely came in late.

Mr. COTTON. I invite the Senator's attention to a statement of Mr. Don A. Williams, Administrator, accompanied by Carl B. Brown, Director, Planning Division, Soil Conservation Service, Department of Agriculture, which is in the report, in which he says very clearly, and I think with great force and logic, that before we open the door haphazardly to the participation of the Federal Government in both recreational and fish and wildlife development, we should await the report of the commission making a study of the matter, and lay down a national policy, with some criteria. We should not open up the dike in such a lefthanded way.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. COTTON. I will yield in just a moment.

I have in my hand a letter addressed to the Hon. ALLEN J. ELLENDER, from the Department of Agriculture, signed by Philip S. Hughes, Assistant

Director for Legislative Reference, in which this is set forth very clearly.

Mr. HUMPHREY. Who is Mr. Hughes? I am very well acquainted with the officials of the Department of Agriculture.

Mr. COTTON. I beg the Senator's pardon. This is signed by True D. Morse, Acting Secretary. I turned an extra page. I also have a letter from the executive office of the President, Bureau of the Budget, signed by Mr. Hughes.

Mr. HUMPHREY. What are the dates of those letters?

Mr. COTTON. The date of the letter from the Department of Agriculture is June 6, of this year. The date of the letter from the Bureau of the Budget is June 2, of this year.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. COTTON. I am happy to yield.

Mr. PROXMIRE. I think I can clear up part of the problem. When hearings were held on this bill by the House Agriculture Committee, the bill was endorsed by the same Mr. Don A. Williams, Administrator of the Soil Conservation Service of the United States Department of Agriculture. The Department of Agriculture raised no objections to this bill until after it had been approved unanimously by the House of Representatives and by the Senate Committee on Agriculture and Forestry, and had been reported to the Senate.

However, adverse reports were submitted after the bill had been cleared by the Senate Agriculture and Forestry Committee, by the Department of Agriculture and the Bureau of the Budget. The primary argument followed in these extremely belated objections was that the proposed legislation should not be considered until the Outdoor Recreation Resources Review Commission, which was recently authorized by Congress, has completed its study and made its report.

Mr. President, the Commission's report is not due until 1961. In view of the unanimous agreement among all the interested and informed specialists in this field that the bill is needed and should be adopted immediately, delay for another 2 or 3 years certainly does not seem warranted. There can be no value in putting off action, and permitting 2 or 3 or more years' of watershed work to go on without this important feature, while we are waiting for a report which is certain eventually to uphold the need for it.

Mr. COTTON. Mr. President, I have a few facts I should like to bring to the attention of the Senate with regard to this matter.

Mr. HUMPHREY. Mr. President, before the Senator suggests the absence of a quorum, will the Senator yield?

Mr. COTTON. Certainly.

Mr. HUMPHREY. As the Senator knows, the language added in the House was ultimately confirmed by the Senate committee. The bill was reported May 26, 1958, and provides, as one of the additional conditions for Federal assistance for the installation of these watershed projects, that the Secretary shall take into consideration the recreational and fish and wildlife development, and that such items shall be included as factors in the consideration of cost sharing on the part of the Federal Government.

The Senator from New Hampshire lives in an area where the watershed programs are as important as they are in the area I am privileged to

represent in part. Everyone knows the upstream water control fundamentally affects fish and wildlife preservation and surely has an impact upon recreational resources. That is true in my State, where watershed development affects lake levels and actually affects the entire recreational area of the State.

What is proposed to be taken into consideration is that when the watershed projects are instituted or undertaken, as the report says:

The Secretary shall require as a condition to providing Federal assistance for the installation of works of improvement that local organizations shall--

1. Acquire without cost to the Federal Government such land, easements, or rights-of-way as will be needed in connection with works of improvement installed with Federal assistance;

2. Assume (A) such proportionate share, as is determined by the Secretary to be equitable in consideration of the direct identifiable benefits, of the costs of installing any works of improvement, involving Federal assistance, which is applicable to the agricultural phases of the conservation, development, utilization, and disposal of water or for recreational and fish and wildlife development.

In fact, some of this procedure is followed now. Actually, where there is upstream development and water development, some of the procedure is followed. I know of a pilot project in Swift County, Minn., where the watershed project itself took into consideration certain recreational and fish and wildlife developments within its jurisdiction.

Mr. COTTON. Mr. President, I say to my good friend from Minnesota that what he says about the possibilities of watershed dams upstream affecting fish and wildlife on the entire river undoubtedly and unquestionably has merit.

Mr. HUMPHREY. Is the Senator asking to exclude only the word "recreational"?

Mr. COTTON. Yes. My amendments would not touch the fish and wildlife provisions.

Mr. HUMPHREY. The Senator would leave in the fish and wildlife provision?

Mr. COTTON. Certainly. That is the reason why I made reference only to recreation. For years now there has been an attempt to get a foot in the door. I do not want to stir up old controversies, but the people of my State have been paying taxes to help the Tennessee Valley Authority make beautiful artificial lakes. Then we have to turn around and pay taxes to help the local chambers of commerce advertise those lakes as beautiful places to visit, when, I will say to every Member of the Senate, we want the people to come to the most beautiful State in the Union--

Mr. HUMPHREY. Minnesota.

Mr. COTTON. No; the State of New Hampshire.

Mr. HUMPHREY. Excuse me.

Mr. COTTON. Minnesota is a very beautiful State too.

Mr. President, at this point in my remarks, I ask to have printed in the RECORD the two letters I have referred to, from the Department of Agriculture and the Bureau of the Budget.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE
Washington, D.C., June 6, 1958.

Hon. ALLEN J. ELLENDER,

Chairman, Committee on Agriculture
and Forestry, United States Senate

DEAR SENATOR ELLENDER: This is in reply to your request of February 21, 1958, for the views of this Department on H. R. 5497, a bill "To amend the Watershed Protection and Flood Prevention Act."

This Department does not favor the enactment of H. R. 5497 in its present form, and believes that it would be advisable to defer action at this time pending the outcome of additional studies relating to broad phases of recreational development policy which could appropriately be undertaken under other pending legislation. If, however, current action on the bill is to be taken, we would recommend that it be amended to provide that any Federal funds for installing recreational and fish and wildlife improvements on non-Federal lands in watershed protection and flood prevention projects be made under authorities for recreational and fish and wildlife development rather than under the provisions of the Watershed Protection and Flood Prevention Act.

The bill would amend the present section 4 (2) (A) of the Watershed Protection and Flood Prevention Act, as amended, to make the recreational and fish and wildlife phases of the conservation, development, utilization, and disposal of water eligible for Federal cost-sharing as a part of watershed projects on the same basis as the agricultural phases of such projects if the Secretary finds that they produce other than direct identifiable benefits.

Recreation and fish and wildlife improvements may now be included as local interests wish at non-Federal expenses in watershed projects developed under the Watershed Protection and Flood Prevention Act. The inclusion of improvements for these purposes is encouraged. Most watershed projects now produce some recreational and fish and wildlife benefits incidental to their primary purposes. These benefits usually are local in nature.

This Department favors the multipurpose development of watersheds. It is in agreement with the general desirability of adequately and appropriately minimizing and mitigating damages to wildlife resources and of enhancing these and other recreational resources when consistent with well-balanced multiple-purpose water resource development.

The Watershed Protection and Flood Prevention Act now permits payment for recreational and fish and wildlife improvements on non-Federal land only at non-Federal expense. The amendment mentioned above -- of having any Federal appropriation for installing recreational and fish and wildlife improvements in watershed protection and flood prevention projects made under authorities for recreational and fish and wildlife development rather than under the provisions of the Watershed Protection and Flood Prevention Act -- would assure that funds appropriated under that act would be used to accomplish the basic purposes of that act. For

the most effective and best coordinated use of funds provided in accordance with the amendment, they should be made available to local organizations sponsoring the project under the Watershed Protection and Flood Prevention Act.

The Bureau of the Budget in a letter to the Department, dated June 2, 1958, advised the Department that the Bureau of the Budget recommends against enactment of H. R. 5497 for the reasons discussed in that letter, and requested that a copy of the letter accompany this report. A copy is enclosed.

Sincerely yours,

TRUE D. MORSE
Acting Secretary

EXECUTIVE OFFICE OF
THE PRESIDENT,
BUREAU OF THE BUDGET
Washington, D. C., June 2, 1958

MY DEAR MR. SECRETARY: This will acknowledge Mr. Grant's letter of March 28, 1958, transmitting copies of the report which the Department of Agriculture proposes to present to the Chairman of the Senate Committee on Agriculture and Forestry with respect to H. R. 5497, a bill to amend the Watershed Protection and Flood Prevention Act.

The bill would amend the present provisions of Public Law 566, the Watershed Protection and Flood Prevention Act, to permit Federal cost sharing for recreational and fish and wildlife phases of the conservation, development, use, and disposal of water in watershed projects. The proposed report states that the Department of Agriculture favors multiple-purpose development of watersheds, including appropriate measures for the protection or enhancement of fish and wildlife and recreational resources, but suggests that appropriations for these purposes should be made under authorities for recreational and wildlife development rather than under the provisions of Public Law 566.

H. R. 5497 is one of a number of bills now pending before the Congress which seek to clarify and expand the role of the Federal Government in recreational and wildlife programs. These bills have been carefully reviewed by the agencies concerned and by the Bureau of the Budget, and recommendations concerning fish and wildlife have been presented to the Congress by the Secretary of the Interior in the form of a draft bill to amend the Wildlife Coordination Act and the Watershed Protection and Flood Prevention Act.

With respect to recreation, it has become apparent that additional study is needed concerning such matters as the evaluation of recreational benefits, the proper role of Federal, State, and local interests, and the distribution of responsibilities among the Federal agencies concerned with recreation programs. For this reason, the Department of the Interior, in its report to the Senate Committee on Interior and Insular Affairs, recommended enactment of S. 846, a bill to establish an Outdoor Recreation Resources Review Commission. This bill would provide a focal point for the conduct of the studies referred to above, and for the

development of appropriate recommendations that could serve as a basis for comprehensive recreation legislation. Pending the outcome of these further studies, the Bureau of the Budget believes that enactment of H. R. 5497 or any of the related bills dealing with the Federal role in recreation would be premature.

While there would be no objection to the presentation to the Committee of such a report as you deem appropriate, the Bureau of the Budget recommends against enactment of H. R. 5497 for the reasons discussed above. It is requested that a copy of this letter accompany your report to the Committee.

Sincerely yours,

PHILLIP S. HUGHES,

Assistant Director for Legislative Reference

The Honorable The Secretary of Agriculture

Attention: Mr. Carl R. Sapp

105-A Administration Building.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. COTTON. I yield.

Mr. PROXMIRE. The Senator from New Hampshire obviously has a very strong argument. I am sure the Senator feels very deeply about the subject and has considerable support. The bill is so enormously important to conservation groups and fish and wildlife that, after a conference with my good friend from Minnesota [Mr. HUMPHREY], I think we are willing to accept the amendment.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. COTTON. I am glad to yield, but I will say I yield briefly because, if I am going to have my amendment agreed to, I want to do so quickly, before any Senator changes his mind.

Mr. AIKEN. I know the Senator from New Hampshire is very proud of his State, which is a beautiful State. I cannot concede that New Hampshire is the most beautiful State in the Union, but I will concede that it is next to the most beautiful State in the Union, with only a river between.

Mr. COTTON. Mr. President, I appreciate the courtesy of my friends in this matter. Having practiced law, I never make a speech if I can get what I want without it. I shall withhold the long speech I have, if the amendment can be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendments offered by the Senator from New Hampshire, en bloc.

The amendments were agreed to.

The PRESIDING OFFICER. If there be no further amendment to be proposed, the question is on the third reading of the bill.

The bill (H. R. 5497) was ordered to a third reading, read the third time, and passed.

Mr. JOHNSON OF Texas. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. KNOWLAND. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from California to lay on the table the motion of the Senator from Texas to reconsider.

The motion to lay on the table was agreed to.

APPENDIX

STATEMENT OF DON A. WILLIAMS, ADMINISTRATOR, ACCOMPANIED BY CARL B. BROWN, DIRECTOR, PLANNING DIVISION, SOIL CONSERVATION SERVICE

Mr. WILLIAMS. Mr. Chairman, I have a brief statement which will contain a little bit of repetition of some things that were just mentioned here with reference to the water resources policy recommendations that the President sent to the Congress.

We appreciate this opportunity to testify on H. R. 5497, a bill to amend the Watershed Protection and Flood Prevention Act.

Section 4 (2) (a) of the Watershed Protection and Flood Prevention Act, as amended, provides that---

The Secretary shall require as a condition to providing Federal assistance for the installation of works of improvement that local organizations shall * * * assume * * * such proportionate share, as is determined by the Secretary to be equitable in consideration of direct identifiable benefits, of the costs of installing any works of improvement, involving Federal assistance, which is applicable to the agricultural phases of the conservation, development, utilization, and disposal of water * * * .

H. R. 5497 would add at this place "or for recreational and fish and wildlife development."

Thus, recreation and fish and wildlife developments would be eligible for some degree of Federal cost-sharing as a part of watershed projects if the Secretary finds that they produce other than direct identifiable benefits.

The provisions of H. R. 5497 are consistent with the recommendations contained in a Report of the Presidential Advisory Committee on Water Resources Policy which was transmitted to the Congress by the President on January 16, 1956.

Under the heading of "Recreation and Fish and Wildlife" this report states (p. 32):

The committee believes that the enhancement or improvement of basic recreation facilities (provision for access, public health, safety and protection) and fish and wildlife resources of less than national significance should be treated in accordance with the general cost-sharing procedure proposed herein.

The general cost-sharing procedure described in this report (p. 31) is as follows:

The committee recommends, as a general policy, that all interests participate in the cost of projects in accordance with the measure of their benefits and that the Federal Government assume the cost of that part of projects where the benefits are widely dispersed and represent substantial contributions to the general economic growth of the country or region, or to the national defense.

The division of costs between Federal and non-Federal entities should be equitably determined on the basis of the degree and character of the respective interests, and the ability to identify direct beneficiaries.

Where the project is primarily of a local character, and where beneficiaries are readily identifiable, the Federal Government's contribution should be limited, with the non-Federal interests bearing a substantial portion of the construction costs of the project as well as the replacement maintenance, and operation costs.

Printed copies of H. R. 5497 have not yet become available to the Department and the Bureau of the Budget. It has not been possible, therefore, to establish any policy position on this proposed amendment.

As a matter of principle, however, the Department would take the view that recreation and fish and wildlife benefits of more than local character must be fully demonstrated before any Federal cost-sharing would be provided for installation of works of improvement.

Significant benefits of national or regional character should accrue to justify Federal cost-sharing. The Department reaffirms its position that the costs of producing purely local benefits should be borne by local organizations and that benefits which are confined within the limits of a State should be the primary responsibility of State government and local organizations.

LETTER FROM TRUE D. MORSE, ACTING SECRETARY OF AGRICULTURE
TO MAURICE H. STANS, DIRECTOR, BUREAU OF THE BUDGET

August 26, 1958

Hon. Maurice H. Stans
Director, Bureau of the Budget

Dear Mr. Stans:

In reply to the request from your office, the following report is submitted on the enrolled enactment of H. R. 5497, A Bill "To amend the Watershed Protection and Flood Prevention Act."

We have no objection to the approval of the enrolled enactment.

The bill would add to Sec. 4 of Public Law 566 (68 Stat. 666), as amended (70 Stat. 1088), the words shown by underscoring: "Sec. 4. The Secretary shall require as a condition to providing Federal assistance for the installation of works of improvement that local organizations shall . . . (2) assume (A) such proportionate share, as is determined by the Secretary to be equitable in consideration of the direct identifiable benefits, of the costs of installing any works of improvement, involving Federal assistance, which is applicable to the agricultural phases of the conservation, development, utilization, and disposal of water, or for fish and wildlife development." . . .

The effect of this language would be to permit the Secretary to provide for limited Federal sharing in the costs of improvements for fish and wildlife development in watershed projects developed under the provisions of Public Law 566, as amended.

In a letter to this Department dated June 2, 1958, Phillip S. Hughes, Assistant Director for Legislative Reference, stated that, "While there would be no objection to the presentation to the Committee of such a report as you deem appropriate, the Bureau of the Budget recommends against enactment of H. R. 5497 for the reasons discussed above." This letter implies that enactment should be deferred pending consideration in the Congress of a draft bill submitted by the Secretary of the Interior with the concurrence of this Department to amend the Wildlife Coordination Act and the Watershed Protection and Flood Prevention Act. This bill dealing with fish and wildlife has subsequently been enacted as recommended as Public Law 85-624.

This letter also pointed out with respect to recreation that a bill to establish an Outdoor Recreation Resources Review Commission was under consideration and that pending the outcome of studies of this Commission, enactment of H. R. 5497 would be premature. All reference to "recreation" was stricken from H. R. 5497 by an amendment in the Senate so that this reason for delay in enactment no longer applies.

In its report on H. R. 5497 to the Chairman of the Senate Committee on Agriculture and Forestry dated June 6, 1958, this Department stated that, "This Department favors the multipurpose development of watersheds. It is in agreement with the general desirability of adequately and appropriately minimizing and mitigating damages to wildlife resources and of enhancing these . . . resources when consistent with well-balanced multiple-purpose water resource development." The Department, while favoring the principle of providing some measure of Federal assistance, recommended in this report that appropriations for this purpose come through the authority of other legislation rather than the Watershed Protection and Flood Prevention Act.

The Department considers however that, for the reasons cited below, the question of source of authority for appropriation of funds for providing some measure of Federal assistance for fish and wildlife development is not of sufficient significance to warrant adverse action on the enrolled enactment.

Under the provisions of H. R. 5497 direct identifiable benefits would nearly always constitute a major share of the total benefits attributable to fish and wildlife development and thus would constitute a non-Federal cost. While the Department would be required to establish criteria for determining the extent of direct identifiable benefits in relation to total benefits from fish and wildlife development, it is our judgment, based on experience of the past three years in administering the Watershed Protection and Flood Prevention Act, that (1) the total costs of fish and wildlife development would rarely constitute a

substantial item in the total Federal cost of any single project, and (2) the total Federal financial requirement as a result of this amendment would not, at the most, account for more than 1 or 2 percent of the annual program cost.

This Department has received numerous expressions of interest from State fish and wildlife agencies and from local organizations in the more comprehensive development of watershed projects by the inclusion of improvements for fish and wildlife purposes. The type of improvements suggested thus far have been confined to (1) additional storage in small reservoirs built primarily for other purposes in order to provide more depth and capacity for fish development and for low flow regulation for maintenance of proper fish habitat in streams, (2) direct stream channel improvement for fish and wildlife purposes, and (3) the development of suitable wetland areas for wildfowl propagation. This Department is on record as being thoroughly in accord with these objectives. It appears probable that a minor degree of Federal financial participation might often encourage and make possible inclusion primarily at State and local expense of such developments.

Sincerely yours,

/s/ True D. Morse

Acting Secretary

